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IN LATE APPEAL, PRESIDENT SAYS, 'I AM PROFOUNDLY SORRY'

House Panel Votes to Impeach Clinton for Perjury

EU Summit Leaders Agree to Act on Jobs Fight Over Budget Unresolved in Vienna

By Barry James
International Herald Tribune

VIENNA — European Union leaders agreed to intensify joint action against unemployment Friday by setting "binding and verifiable" guidelines for job creation.

But they ran into a brick wall over how to finance the \$100 billion annual budget for the community, a problem that Germany said had to be settled before the Union could open its doors to new members in Eastern and Central Europe.

The heads of state and government, at the first day of their two-day summit conference in Vienna's historic imperial complex, agreed that finance ministers should work out a tougher jobs pact in time for approval at their June summit meeting in Germany. They did not specify exactly what the jobs targets should be.

Unemployment in the EU stood at 16.8 million people in October, about 9.8 percent of the labor force. Although this is the first time unemployment has been below 10 percent in six years, Europe still has many more unemployed than the United States, and some economists fear that the rate could start rising again if an economic slowdown sets in.

Chancellor Gerhard Schröder of Germany, who made unemployment the priority of his election campaign, said the EU must set a target of 7 percent unemployment by 2000. He said the EU must set a target of 7 percent unemployment by 2000. He said the EU must set a target of 7 percent unemployment by 2000.

other countries "to place the fight against unemployment at the center of European policy."

In this spirit, they said, governments should "undertake to attain binding and verifiable goals in the guidelines for employment, foremost in reducing unemployment among the young and the long-term unemployed, and in eradicating discrimination against women on the labor market."

At their summit meeting in Luxembourg a year ago, the 15 EU countries agreed to submit their national employment plans for regular peer review. Now the time had come, said Prime Minister Lionel Jospin of France, for the EU to adopt new goals that could be measured by objective standards. Mr. Jospin said it was necessary to build a "social Europe."

Such words usually send shivers through financial markets, but the EU's commissioner in charge of monetary affairs said that all governments had agreed on bringing in balanced budgets earlier in the next century, and that markets had accepted that "stability is an integral part of our economic culture."

With the agreement of 11 countries to adopt a single currency on Jan. 1, the question of high unemployment is the biggest social problem facing the community. Criteria for belonging to the single currency demand low public debt and deficit, meaning that governments cannot spend beyond certain limits to solve the crisis.

Mr. Jospin called for "social harmonization," in which countries must agree to common standards on

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An Israeli passing posters in Jerusalem on Friday that protest Mr. Clinton's visit to Israel and Gaza.

For Palestinians, 'A New Era'

Fighter's Son, Advancing Clinton Visit, Takes a Different Path

By Lee Hockstader
Washington Post Service

GAZA — As he oversees the torrent of details governing the appearance of President Bill Clinton at the convention center here, Jihad Wazir can generally be found smack in the middle of things — as his father once was.

Jihad Wazir is a Gaza businessman, and it is easy to spot him in the barely contained chaos that passes for advance work for the presidential visit to Palestinian-ruled Gaza: He is the amiable man with the clipboard and gold-rimmed glasses, the colloquial English and wing-tip shoes.

His father, Khalil Wazir, preferred olive-green fatigues and a Kalashnikov assault rifle. He was Yasser Arafat's childhood friend, No. 1 aide and military chief. To Israel, he was a master terrorist.

Khalil Wazir, known by his nom de guerre Abu Jihad (father of Jihad), was slain in April 1988 by masked Israeli commandos who broke into his villa outside Tunis, killed his bodyguards, sprayed five or six dozen bullets into his body and sped away. He was 52.

A few hours later and several thousand miles away

in Rochester, New York, Jihad Wazir heard the news as he lay in bed listening to a shortwave radio. The oldest of six children, he had been close to his father but separated by distance, having spent most of his 20s in the United States.

His father was assassinated after a heated debate in the Israeli cabinet. At the time, Israeli advocates of the operation believed it would deprive the Palestinian popular uprising, then 4 months old, of its organizational brains. The killing, a setback for the military wing of the Palestine Liberation Organization, enraged Palestinians but did nothing to slow the momentum of the uprising.

The lives of the Wazirs, father and son, are a study in contrasts, and in a modest way they speak to the gradual, ongoing evolution of Palestinian politics and society.

The father directed Palestinian fighters who carried out terrorist attacks against Israeli civilians, according to Israeli security agencies. He believed in a Vietnamese model of fighting and negotiating, pressing Israel on parallel tracks. He saw the United States as the patron of his enemy and did what he could to help

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21 Republicans: Yes 16 Democrats: No

By Brian Knowlton
International Herald Tribune

WASHINGTON — The House Judiciary Committee approved an article of impeachment against President Bill Clinton on Friday, just minutes after he addressed the American public on television and voiced his strongest apology yet for his actions in the Monica Lewinsky affair.

The article approved by the committee, the first of four to be voted on, alleges that Mr. Clinton perjured himself before the grand jury investigating him. It was approved on party lines, as expected.

The 21-to-16 vote in the 37-person committee followed some of the more rancorous debate that the highly partisan panel has heard. It presaged a wrenching week for members of the House, for the embattled chief executive and for the nation.

Mr. Clinton was attempting to answer the expected impeachment attempt when he said on television: "I want the American public and the Congress to know that I am profoundly sorry for what I have done wrong in words and deeds."

"I would give anything to go back and undo what I did," he continued in a five-minute speech.

The committee was also debating articles of impeachment alleging that Mr. Clinton perjured himself in the Paula Jones sexual harassment case, that he obstructed justice and that he abused the powers of his high office.

He spoke as the White House girded for a fateful five days of delicate persuasion to prevent the full House from approving articles of impeachment, an indictment, and sending them to the Senate.

Mr. Clinton spoke Friday afternoon as he prepared to leave Saturday on a mission to the Middle East and as his aides and allies were scrambling to find ways to prevent Republicans, and a few Democratic defectors, from reaching the simple majority — 218 votes — needed by the House to impeach the president.

The full House will start debating Thursday on whether to attempt to remove the nation's chief executive from office.

Attempts to persuade undecided legislators were reaching a frenetic pitch, and some Republicans accused Democrats of unacceptably muscular tactics.

As the Judiciary Committee moved Friday night toward its momentous vote on the articles of impeachment, debate was rancorous to the end. Of the 37

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Malaysia's Wary Welcome Indonesia's Ethnic Chinese Find a Haven For Now, But Their Future Is Uncertain

By Thomas Fuller
International Herald Tribune

PENANG, Malaysia — It is 7 A.M. and the Mewah Court apartment complex is awash in orange sunlight, covering up the mildew stains of the 20-story towers.

Outside the complex, a half-dozen women and their children are standing on the sidewalk. One would not know they were refugees from their clothes or the children's neatly combed hair or the yellow bus that takes them every morning to a nearby private school.

They are a special class of refugee: wealthy Indonesian Chinese who fled to Malaysia after riots and looting wrecked their hometowns in May. They came to Malaysia in Boeing, not overloaded boats, and they left behind servants and expensive cars.

As Ingrid, 40, who would only give her first name, waits to put her two

youngest children on the school bus, she reminisces about her house in Indonesia and her maids and drivers.

"One room in my house in Indonesia is the size of my entire apartment here," she says, glancing toward the Mewah Court complex, which means "Luxury Court" but is something less than plush.

About 5,000 Indonesians like Ingrid came to this Chinese enclave off the coast of peninsular Malaysia in May, according to the Indonesian Consulate here. Two thousand remain, most of them students and their parents or guardians. Despite their affluence, Malaysia has greeted them with an ambivalence wrapped up in the country's complex, multiracial politics.

"On the one hand, we want their money — especially our educational institutions," said Khoo Kay Kim, a professor of history at the University of Malaya. "On the other hand, the Malays



Indonesian Chinese girls taking the bus to go school in Penang, Malaysia.

have the fear that if the Chinese population should increase, there could be problems."

Malaysia's ethnic Chinese population makes up 32 percent of the country's 22 million people — one of the

largest proportions in Southeast Asia — while the indigenous people constitute 60 percent of the population.

For centuries the Chinese in both

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GIs and North Koreans Said to Mingle in DMZ

Seoul Inquiry Ended Parties, Ex-Diplomat Says

By Don Kirk
International Herald Tribune

SEOUL — Astride one of the tensest borders in the world, U.S. and North Korean soldiers mingled for several years at parties in a liquor-stocked game room in the truce village of Panmunjom, a former senior U.S. diplomat said Friday.

The get-togethers were halted only recently, when an investigation was reopened into the suspicious death in February of a South Korean Army lieutenant assigned to the Demilitarized Zone, said Kenneth Quinones, who visited North Korea frequently for the State Department.

"The United Nations command was hosting weekly beer and pizza parties for some years," Mr. Quinones said. "At first it was just U.S. and North Korean soldiers smiling through their teeth at one another to open up informal channels."

While he said the U.S. soldiers eventually believed that they were obtaining valuable information from the North Koreans, "you could never separate the wheat from the chaff" and they got "substantial misinformation." He said he was sure that what the North Koreans did and said at the parties was "well choreographed" by their superiors.

Mr. Quinones said the weekly get-togethers by U.S. and North Korean soldiers, oiled by beer and liquor supplied from the U.S. military post exchange system, were authorized by the UN command, which would not comment.

The meetings "set a precedent" for a wide range of other previously unpublicized contacts between soldiers on both sides of the line, said Mr. Quinones, now head of the Asia Foundation here.

He said the meetings probably led to contacts between South and North Korean soldiers, which are illegal under the national security law of South Korea.

Officials said they were looking into the possibility that the South Korean officer was shot by one of his subordinates to cover up unauthorized contacts with enemy troops.

The death at first was recorded as a suicide, but Seoul said this week that it was investigating the case as a possible murder and arrested one soldier after learning that South Korean soldiers had had dozens of contacts with the North Koreans.

Mr. Quinones said he understood that "the party room was shut down" as a result.

He said he believed that South Korean authorities were fully aware that their own soldiers were meeting regularly with the North Koreans in the joint security area, a 124-acre site covering both sides of the crossing between North and South Korea.

"It's impossible for a South Korean to do anything up there without their knowledge," he said. "Everything is covered by videotapes and recording devices."

The gatherings in the party room were "bizarre at a time when we have

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In Day of Drama, Pinochet Rejects Court's Authority

By Warren Hoge
New York Times Service

LONDON — General Augusto Pinochet, the former Chilean dictator, sternly told a London court Friday that he did not acknowledge the right of any court outside his country to consider warrants against him.

Making his first appearance in public since his arrest two months ago, General Pinochet uttered his defiant claim at the end of a hearing on a Spanish order seeking his extradition to Madrid to stand trial on charges of crimes against humanity.

"With respect to Your Honor," the general said in Spanish, reading from a paper he held throughout the 20-minute session, "I do not recognize the jurisdiction of any other court, except in

my country, to try me against all the lies of Spain." With a wave of his hand, he looked up and said, "That is all I want to say."

Clive Nicholls, the attorney who moments before had alerted the court that General Pinochet was "anxious" to make a statement, followed it up with assurances that no disrespect to the court's authority was intended.

"I hear what he says," said Graham Parkinson, the magistrate. "My duty is to conduct this proceeding in accordance with the extradition act passed in

England, and I must do so. I do not take any disrespect."

General Pinochet's wife, Lucia, had told supporters at a hotel rally Thursday night that her husband would "never lack the strength of mind to hold his head high in the name of Chile," and the general looked grimly determined to keep that pledge from the moment he entered the spare and cramped hearing room.

Dressed in a dark brown business suit, off-white shirt and gold tie, the 83-year-old general was seated in the

wheelchair he has used since undergoing back surgery in early October, with his hands folded across the top of a wooden walking stick held between his knees.

At the routine question to give his name, he drew himself up and said, "I am Augusto Pinochet Ugarte. I am commander in chief of the army, captain general of Chile, president of the republic and actually I am at the moment a senator of the republic." When Mr.

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AGENDA

DiMaggio in Coma as Infection Worsens

HOLLYWOOD, Florida (AP) — Joe DiMaggio, the former baseball great, lapsed into a coma after his lung infection worsened, and his doctor said Friday that his chances of recovery were "slim."

"His outlook is very poor," Dr. Earl Barron said, pointing to a recurrence of

the infection in DiMaggio's lungs that has put him near death several times since his surgery Oct. 14 for lung cancer.

DiMaggio, 84, remained on a respirator to help him breathe, although his blood pressure and heart and kidney functions were good.

DiMaggio played 13 seasons with the New York Yankees. He was a two-time batting champion and a three-time Most Valuable Player. His 56-game hitting streak in 1941 — one of the greatest feats in all sports — is still a record, and his marriage to Marilyn Monroe in 1954 elevated his place in American culture.



Joe DiMaggio in action during a game in 1942. He played in 11 All-Star games and 10 World Series in 13 seasons with the New York Yankees.

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It's Theater All Right, But Which Play Will Bring Down the House?

By Guy Gugliotta

Washington Post Staff Writer

WASHINGTON — It was a two-act play featuring sex, lies, videotape and a presidential impeachment. Republican, Democrat, spoiler or conspiracy theorist — who still needed a way to think about President Bill Clinton, Monica Lewinsky and impeachment.

The Democratic counsel to the House Judiciary Committee, Abbie D. Lowell, went first. He was the theatrical Washingtonian, a world-wise cleaner-upper of dirty laundry, sent in to debunk the preposterous charges and repeatedly warn the committee that a vote to impeach could "doom the country" to "confusion and paralysis of government" for months to come. Was America ready for that?

David P. Schippers, the Republican counsel, went last. He was the outraged outsider, a father of 10 from Chicago, methodically walking the committee through reams of evidence to prove that it was perjury, it was obstruction of justice, it was abuse of power, it was "an attack upon and utter disregard for the truth, and for the rule of law."

With the minds of committee members virtually made up, the two lawyers were speaking to the 20 or 30 uncommitted House members waiting to vote on impeachment next week and to the



Mr. Schippers warned the panel against setting the bar too high.

millions of Americans arrayed behind them.

But though the argument Thursday was about impeachment and the affair between Mr. Clinton and a former White House intern, in their own way Mr.

Schippers and Mr. Lowell rehearsed the underlying dispute that has festered in the American consciousness ever since Mr. Clinton arrived in Washington.

Is he an inspirational but flawed leader who has ably steered the nation through six years of unparalleled prosperity? Or is he an opportunist who managed to parlay his Arkansas valedictorian act into a six-year gig at the White House?

Mr. Lowell spoke for two hours, and his testimony was riveting. He walked the committee through the charges one by one, explaining them away as he drew the picture of a president anxious to conceal an illicit relationship from his family at the same time that lawyers in what he believed was a politically motivated lawsuit were trying to entrap him.

Mr. Lowell played previously unreleased videotape of Mr. Clinton, during his Jan. 17 deposition in the Paula Jones suit, staring impassively at the camera while lawyers argue about the definition of "sexual relations." "This term would really be confusing," says one voice. "This means all things to all people," says another. "It's very unfair," someone replies. "I think it's a political trick."

It went on and on. Mr. Clinton sipped coffee while his lawyer remarked that this "is almost like an automobile accident where the plaintiff's counsel wants to ask the defendant, 'Are you



Mr. Lowell said to impeach would "dilute" constitutional standards.

negligent?" "No, an opposing lawyer insisted, 'we want to be as discreet as possible' so as not to have to utter dirty words."

In the end, U.S. District Judge Susan Webber Wright remarks: "If you want

to know the truth, I'm not sure Mr. Clinton knows all these definitions." This "hove and confusion," Mr. Lowell concluded, lies at the core of the perjury allegations against the president: "Does anyone in this room, does anyone in the United States, understand this definition?"

Or what about obstruction of justice? Mr. Lowell made the committee squirm by playing tapes of Ms. Lewinsky talking on the telephone with her erstwhile friend Linda Tripp: "We didn't have sex; we fooled around," Ms. Lewinsky said. And, "I was brought up with lies all the time."

He played a tape montage of Kenneth Starr, the independent counsel, telling the committee repeatedly, "I don't recall," "I'm not recalling," "I don't know." And yet for Mr. Clinton, Mr. Lowell said, the committee "wants to make presidential lapses of memory impeachable offenses."

Mr. Schippers was not as compelling, but his views are those of people who have never trusted Mr. Clinton and have been willing to wade through the smoke for years, trying to get at the truth.

Mr. Schippers would provide it. "The evidence and testimony must be viewed as a whole," he said. "It cannot be compartmentalized. Don't be 'cajoled into considering each event in isolation,' he warned. "This is the tactic of defense lawyers in every conspiracy trial that I have ever seen."

Yes, he continued, this is a conspiracy. When Ms. Lewinsky told the grand jury "nobody told me to lie," he said, nobody had to. "Monica knew what was expected of her." And while she may have said "nobody ever promised me a job," Mr. Schippers said, after she filed a false affidavit, "she got one, didn't she?"

He narrated the whole Clinton-Lewinsky saga in his flat Chicago accent, interspersing the story with his own video clips, most of them featuring the president dancing around the truth or telling what appear to be outright falsehoods in his Jones deposition.

At the end, neither Mr. Lowell nor Mr. Schippers had trouble telling the committee where it had gone wrong or where it ought to go, and both men were worried about "the bar."

The committee was fatally "lowering the bar" to impeachment, Mr. Lowell said in a tone of controlled outrage. It was too willing "to dilute the constitutional standard" or "lower the burden of proof" or "reverse the presumption of innocence."

No, Mr. Schippers said five hours later. "If you don't impeach as a consequence of the conduct that I have just portrayed, then no House of Representatives will ever be able to impeach again." His voice shook with finger-wagging intensity. "The bar will be so high, that only a convicted felon or a traitor will need to be concerned."

Stress of Inquiry Takes a Toll on Henry Hyde

By Frank Bruni

New York Times Staff Writer

WASHINGTON — Of the many verbal assaults Representative Henry Hyde had endured, this one had an especially sharp edge.

"History," Representative Maxine Waters, Democrat of California and one of the House Judiciary Committee's most liberal members, told a Republican chairman, "will not be kind to you."

Although the statement went far beyond the usual quibbling of the committee, Mr. Hyde listened to it this week with his customary air of subdued dignity. He even drolly asked the committee's consent that "the gentle lady be permitted to finish her attack on me."

But other committee members and Mr. Hyde's friends said that behind that quip was undoubtedly some anguish.

As the committee proceeded this week toward a landmark vote on articles of impeachment, its 74-year-old chairman found his entire political career and public image distilled into

a single act of stewardship. Nearly a quarter century in Congress and a carefully honed reputation for patience, prudence and fairness had come to this: supervision of a process that had failed to win broad popular support, exposed bitter partisan rivalries, and subjected Mr. Hyde to death threats and the constant escort of a security detail.

"It's stressful, extremely stressful," he said to reporters just before he left the hearing room Wednesday night. Asked what he would like to be remembered for, he did not mention the impeachment inquiry.

"I was a good congressman," said Mr. Hyde, who is perhaps best known for his advocacy in 1976 of the "Hyde Amendment," which restricted the use of federal money for abortion, but has also voted for programs to provide aid for children once they are born. "I accomplished some things, and when my time comes, I'll be missed."

Several committee members said a tone of genuine self-pity had crept into Mr. Hyde's voice for perhaps the first time last week when he complained during the hearings that he

was being browbeaten excessively. Jack Hahn, a close longtime friend of Mr. Hyde's from Chicago, noted that little fissures were appearing in the Illinois congressman's famously unflappable demeanor.

"He came walking into that hearing the other day looking like he was limping," Mr. Hahn said. "Last week, he barked at a few people. That's not Henry Hyde, believe me."

When Mr. Hyde held a special press conference Monday, pointing to four tall white columns of boxes to demonstrate that the committee had considered 60,000 pages of grand jury testimony and was not acting rashly in calling so few witnesses, his voice had a defensive ring.

He also sent a letter to Republican members of the House that beseeched them not to state their opinions about impeachment until the committee had finished its work.

During the hearings this week, he defended a course at odds with the prevailing public sentiment, commenting to one witness, a Jesuit priest: "Someone said that if Jesus

had taken a poll, he would never have preached the Gospel."

By subjecting Mr. Hyde to such intense scrutiny, the impeachment inquiry has unearthed aspects of his past he might well have preferred to keep buried. They include an extramarital affair of three decades ago, remarks 15 years ago that urged leniency for a Republican congressman facing expulsion for sexual misconduct with a teenage congressional page, and a statement during the Iran-contra hearings in 1987 that ridiculed the righteousness of people who "label every untruth and every deception an outrage."

Mr. Hyde has also drawn criticism for his handling of the inquiry itself, which has occasionally veered off in surprising directions.

"There's a feeling of constant, constant gibes from everybody," said Philip Corboy, another longtime friend. "It's torture for him."

Others were less sympathetic. "He's used to being treated as if he walks on water," said one staff member for Democrats on the committee. "And I think he's shocked and surly that his feet have gotten wet."

CLINTON: House Committee Approves Article of Impeachment

Continued from Page 1

members, 21 are Republicans. Members were voting on two articles alleging perjury, one of obstruction of justice, and one of abuse of power.

Democrats said that the articles, drafted by Republicans, were so profoundly flawed as to make amendment pointless. Instead, weary legislators sought to drive home their objections the last time.

Those objections clearly were intended for a larger audience — the 435 members of the House, who have been summoned back to Washington for a historic vote — and are likely to foreshadow the debate there.

More than one Democratic member of the Judiciary Committee conceded that Mr. Clinton had lied about his relationship with Ms. Lewinsky, a former White House intern, and said that his conduct was deeply troubling, but insisted that there was insufficient evidence to prove perjury and inadequate cause for impeachment.

Representative Charles Schumer, a Democrat from New York, asked for "explicit statements" about which language from Mr. Clinton was considered to be perjury.

Representative Barney Frank, Democrat of Massachusetts, called the perjury allegation "trivial and impossible to prove." It deals with Mr. Clinton's denial that he touched certain parts of Ms. Lewinsky's body.

A Republican, Representative Bill McCollum of Florida, called the Democratic arguments "a smokescreen." Another Republican, Representative James Sensenbrenner of Wisconsin, accused the Democrats of a "clever ruse" intended to limit the evidence that the Senate might consider during a trial.

If approved by the House — and the vote still appears too close to predict — impeachment articles would go to the Senate for a trial likely to last weeks or months.

Mr. Clinton still appears certain to survive a test in the Senate, if it comes to that. The Republicans control the chamber, 55 seats to 45, but they are unlikely to reach the two-thirds majority needed to convict and remove the president.

The stakes, as Judiciary Committee members made it clear in hours of bitterly partisan debate, are extremely high.

Mr. Clinton hopes to escape becoming only the second president, after Andrew Johnson in 1868, to be impeached. Mr. Johnson survived a Senate trial by a single vote.

The president wants to avoid the personal humiliation and national distraction of a Senate trial. He also hopes to rescue what political clout he can.

"This is an issue where twisting arms isn't appropriate," said Joe Lockhart, the White House spokesman, "but bending ears is."

Yet, even with his political fate at its most fragile, Mr. Clinton was set to leave the country Saturday for a four-day Middle East visit.

That would bring him back to Washington two days before the full House special session.

The committee was concluding its work, which began in September, when the independent counsel Kenneth Starr delivered 36 boxes of transcripts and evidence compiled during a nine-month investigation, in the same room where charges against President Richard Nixon were debated in 1974.

He resigned before a vote on impeachment by the full House.

The committee was likely to vote on the Democrats'

articles on Tuesday, but it appeared that the Republican leadership might prevent such a motion from reaching the House floor.

Representative Henry Hyde, the committee chairman, sought Friday to impress the gravity of the moment on fellow committee members even while defending himself and Republican members from Democratic complaints about the workings of the committee.

The process under way, he said, was "not a vengeful one, it's not vindictive and it's not crazy."

The president, Mr. Hyde said, was guilty of "an assault on the rule of law."

He said that Mr. Clinton's conduct in the Lewinsky matter "cheapens" the oath of office.

"It is a breach of promise to tell the truth," he said. "It subverts our system of government."

Mr. Hyde dismissed Democratic arguments against impeachment as a "so-what defense" — boiling down, he said, to grudging acknowledgment that Mr. Clinton's behavior had been unworthy, but that it did not merit impeachment.

Representative John Conyers of Michigan, a Democrat who served on the Judiciary Committee during the Watergate hearings against Mr. Nixon, belittled the evidence against Mr. Clinton.

"This charge of perjury

Jesus went to Jerusalem (II)

"Then Jesus spoke to the multitudes saying: 'The scribes and the pharisees have seated themselves in the chair of Moses; therefore all what they tell you—do and observe—but do not do according to their deeds; for they say things and do not do them.'

And they tie up heavy loads and lay them on men's shoulders; but they themselves are unwilling to move them with so much as a finger.

And they love the place of honor at banquets, and the chief seats in the synagogues, and respectful greetings in the market places.'"

MATTHEW XXIII

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<p>BERLIN</p> <p>BERLIN Int'l Church (Evangelical) Sunday 10:20 am, Mon-Fri 10:00 am, Kurfürstendamm 47, Pastor H. Pfundt, Tel: +49 30-304 70 31 78, www.berlinchurch.org</p>	<p>KARLSRUHE (GERMANY)</p> <p>ANGELICAN EPISCOPAL COMMUNITY 1st and 3rd Sunday 5 p.m. in chapel of Liederbach, Kirchstr. 2-4, Tel: 49 69 721 283 79 or 49 69 721 40 15 99</p>	<p>BERLIN</p> <p>L.B.C. BERLIN, Rotherbaum Str 13, (Steing.) Sunday Bible Study 10:45 / worship Services 12 noon, Charles Wierford Pastor, Tel: 030-744-4870</p>	<p>PRAGUE</p> <p>L.B. FELLOWSHIP, Vrchbanská 8, B. Pages, S. Sun. 11:40 Tel 002 511 7974</p>
<p>BRUKFURT</p> <p>St Leonhard, International Catholic Parishes, Alte Metzger Gasse 8, 60311 (near Roman), Masses in English: Saturday 8:30 am, Sunday: 10 am, Tel/Fax: 069-256170 or J. Schell@www.bruckfurt.de</p>	<p>BRUCKMUEHL (GERMANY)</p> <p>ANGELICAN EPISCOPAL COMMUNITY, meets at Ev. Lutheran Johanneskirche, Tel. Sun. 11 except August, Adulphstr. 58-59 2, 65052, Tel: 49 69 9045415</p>	<p>BRATISLAVA - SLOVAKIA</p> <p>L.B.C., The tower, Karmarska 64, Bratislava 1048, Worship Sun 10:00 Tel: 071 715367</p>	<p>WATERLOO</p> <p>WATERLOO BAPTIST FELLOWSHIP, Sun. 10:30 at Swedish Church, across from MacDonalds, Tel: 022 533 1555</p>
<p>PARIS AND SUBURBS</p> <p>EMMANUEL BAPTIST CHURCH 66, rue des Bains-Pigeons, 92500 Reuil-Malmaison, 9:30 a.m. & 11 a.m. with Sunday School. For info Tel: 01 81 29 6301 / 47 49 15 29 or: http://www.geocities.com/PastorEmmanuel1532, International Christian Fellowship meeting at 49 rue de la Chapelle, Paris 75018, 20:30, Call Anne for info.</p>	<p>MUNICH</p> <p>CHURCH OF THE ASCENSION, San. Eucharist 8 & 11:45 am (Sun School Nursery) September 4, 81545 Munich (Parishings), Tel: 49 89 8848185</p>	<p>BREMEN</p> <p>L.B.C., Hohenbuckel, Hermann-Böse-Straße 70, 27001, Pastor telephone: 0421-76564</p>	<p>ZURICH - SWITZERLAND</p> <p>L.B.C. of Zurich, Glattepark 91, 8003 Ruschlikon, Worship Services Sunday mornings 10:30 Tel: 1-8001018</p>
<p>SAINT JOSEPH'S CHURCH (Roman Catholic), MASS IN ENGLISH, Sun. 11:00 a.m., 6:30 p.m.; Sun. 8:45/11 a.m., 12:15 & 6:30 p.m., Mon-Fri. 9:00 a.m.; 5:00 p.m. (Sat. Sun. Tel: 01 47 22 22 22, M. Meier; Charles de Gaulle - Bois de Neuilly, Worship Sundays 10:30 a.m. Rev. Francis Henry, Pastor, T: 01 43 34 04 05 Metro 11 to La Defense Esplanade</p>	<p>FRANKFURT</p> <p>CHRIST THE KING Eucharist Sun 8 & 11 Sunday School Nursery 10:45 Sebastian Str 58 22 60320 Frankfurt, Ger. 01123 Hagen-Allee, Tel: 49 69 5933704</p>	<p>BUCHAREST</p> <p>L.B.C., St Xenopou nr. 2, This is next to Gandhi church 11:45-12:15 Tel: Pastor 58 Boveas Tel 330-0273321-9472</p>	<p>ASSOCIATION OF INT'L CHURCHES</p>
<p>HOVE INTERNATIONAL CHURCH Hotel Chateau de Paris La Defense, 92044 de Neuilly, Worship Sundays 10:30 a.m. Rev. Francis Henry, Pastor, T: 01 43 34 04 05 Metro 11 to La Defense Esplanade</p>	<p>WIESBADEN</p> <p>ST AUGUSTINE OF CANTERBURY Sun. 10 a.m., Eucharist 10:30, S. 65789 Wiesbaden, Tel: 49 69 51330574</p>	<p>BUDAPEST</p> <p>L.B.C., messe at Munkacsy Zsidókeresztyén Gyülekezet, Törekvés ut. 48-54, Sun. 10:00 Tel: 245-1613</p>	<p>GENEVA</p> <p>EV. LUTHERAN CHURCH 20 rue Verdaine, Sunday worship 10:30 am in Geneva 11:00 in English, Tel: 022 310.50.19</p>
<p>THE CATHOLIC CHURCHES OF EUROPE (Anglican)</p>	<p>GENEVA</p> <p>EMMANUEL CHURCH 1st & 3rd Sun 10 a.m., Eucharist; 2nd & 4th Sun Morning Prayer, 3 rue de Montreux, 1201 Geneva, Switzerland, Tel: 41 09 72 782 80 76</p>	<p>ULRICH</p> <p>L.B.C., World Trade Center St. 6, Dorian Drexler Blvd, Wroclaw 51120 James Dales Pastor, Tel: 71 - 2192</p>	<p>PARIS</p> <p>PARIS</p> <p>PARIS</p> <p>PARIS</p>
<p>PARIS</p> <p>THE HOLY TRINITY CHURCH, San. Eucharist 8 & 11, on Francis, near 18600, 23 av George V, 75004 Paris, Tel 33 01 53 23 04 00 Metro George V or Alma Marceau</p>	<p>BRUSSELS/WATERLOO</p> <p>ALL SAINTS CHURCH, Sun. 11:15 am (Sat. School), 1st Sun. Sun. 8:00, Cassin de Louvain, Oude C. 81 / 1 Colaba, 1410 Waterloo, Tel: 32 09 234 3538</p>	<p>DARMSTADT - GERMANY</p> <p>L.B.C., Wilhelms-Luisenweg 50-194, Darmstadt-Ordensburg, Bible Study Sun. 10:00, Tel: 06181 941-0305</p>	<p>PARIS</p> <p>PARIS</p> <p>PARIS</p> <p>PARIS</p>
<p>CLERMONT-FD (FRANCE)</p> <p>CHRIST CHURCH (PROYAT) 2nd & 3rd Sun. 5 am, Dr Jean-Henri, (Temple Reformed) 33 04 72 38 41 39</p>	<p>DARMSTADT (GERMANY)</p> <p>ANGELICAN EPISCOPAL CHURCH, 2nd & 4th Sun, 4 p.m. in German Church, Dornbachstrasse, Darmstadt-Ordensburg, Tel: 49 69 51574674</p>	<p>FRANKFURT</p> <p>INTERNATIONAL CHRISTIAN FELLOWSHIP, St.-Fredericks-Strasse, 60329-11, 81533 Bad Homburg, Sunday Worship, Nursery 6:55, 11:20 am, 10:00-11:00, Pastor M. Lawry, Calif: 0673-5272</p>	<p>ZURICH</p> <p>INTERNATIONAL Protestant Church English speaking, morning service, Sunday School & Nursery, Sonntag 11:00am Schanzenquai 25, Tel: 011 2632525</p>

Thai Jet Crash Kills Scores; 43 Survive

BANGKOK — A Thai Airways Airbus carrying 146 people crashed Friday in heavy rain near an airport in southern Thailand, the police said.

The police said that scores of people were killed but at least 43 survived.

The evening crash occurred near Surat Thani, about 500 kilometers (about 330 miles) south of Bangkok.

Local TV footage from the crash site, about five kilometers from the Surat Thani airport, showed at least eight survivors, all of them conscious.

One of those shown on television was a boy, about 10, with injuries to his forehead.

He and other shaken and injured survivors were helped into vehicles to get medical attention.

At least four of the survivors, who were bloodied and rain-soaked, were Westerners, apparently two couples.

Thai Airways Flight TG261, carrying 132 passengers and 14 crew members,

had been on its way to Surat Thani from Bangkok when it crashed in Boon Pin district at 6:45 P.M., the police in Surat Thani said.

A police officer, speaking on condition of anonymity, said the plane made three turns around the airport in a heavy storm before trying to land. Visibility remained bad on the final approach.

Initial reports said one engine had exploded, but the police said it was unclear whether the plane had engine trouble before it crashed.

Rain was heavy in Surat Thani, and rescuers were having difficulty sending ambulances to the crash site, a swampy area.

Thai Airways released a manifest that indicated that most of the 132 passengers aboard the flight were Thais, but there were also several Western and Japanese names.

The manifest did not list the nationalities of passengers.

A group of French aeronautics experts are heading for Thailand to help the Thai authorities investigate the crash.

Delegations from Airbus Industrie and the Bureau of Accident Inquiry will seek the cause of the crash.

Airbus has released some details of the fatal flight. The plane was an A 310-200, delivered to Thai Airways in April 1986.

Transport and Communications Minister Suthep Thaugsuban said in Bangkok that his sister Sirivan had been on the flight.

He said that he, too, had been scheduled to be on the flight until he canceled at the last minute.

Mr. Suthep, who did not know the condition of his sister, expressed dismay that he learned about the crash first from relatives in Surat Thani, rather than from the airline, which is mostly owned by the government and which he supervises. (AP, Reuters, AFP)



A survivor giving the victory sign Friday on Thai TV. At least 43 survived.

BRIEFLY

Marshall Islands Lose China Ties

BEIJING — China broke diplomatic ties with the Marshall Islands on Friday, three weeks after the South Pacific nation formally recognized the rival government of Taiwan.

The Chinese ambassador to the Marshall Islands, Zhao Liangyi, lodged a complaint with the Marshall Islands government and announced that diplomatic relations were broken effective Friday, the Xinhua press agency reported.

The break was anticipated, but there was no indication why Beijing waited to make it official.

China insists that all countries with whom it has diplomatic relations must break ties with Taiwan. With the addition of the Marshall Islands, Taiwan's small pool of diplomatic allies stands at 27. (AP)

Gunfire at Kabul Ends in Stalemate

KABUL — The Taleban religious army and its opponents waged a fierce battle outside the Afghan capital Friday, awakening residents with the thud of artillery fire and the steady staccato of heavy machine guns.

Mohammed Jan, a Taleban commander at the front line, said that the opposition began a heavy artillery assault Thursday and intensified the attack at daybreak 12 miles (19 kilometers) north of Kabul.

The two sides exchanged gunfire for three hours but neither gained ground. There were no immediate reports of casualties among soldiers on either side, Mr. Jan said. (AP)

Indonesia to File Conspiracy Charge

JAKARTA — The Indonesian police said Friday they would charge three opposition activists with conspiracy over bloody clashes in November between anti-government protesters and troops in which at least eight people died.

The three are alleged to have been among the signatories of a Nov. 12 petition calling on President B.J. Habibie to step down and rejecting a special session of country's top legislative body, the People's Consultative Assembly.

A spokesman declined to give names but said at least one protester was a retired general. (Reuters)

Canadians Call On NATO To Rethink Nuclear Policy

By Steven Pearlstein
Washington Post Service

TORONTO — The Canadian Parliament has taken another step toward confrontation with the United States over the inclusion of nuclear weapons in NATO arsenals.

After a two-year study and a divisive internal debate, the Foreign Affairs Committee of the House of Commons has released a report accusing the United States and other nuclear powers of clinging to a Cold War mentality in their defense doctrines, long after the Cold War has ended.

In its list of recommendations, the panel called on the North Atlantic Treaty Organization to consider renouncing the first use of nuclear weapons. It also urged serious consideration of separating NATO's nuclear warheads from the missiles and bombs on which they are deployed, as a way of reducing the chance that they would ever be used.

The report, released Thursday, gives added political support to efforts by the foreign minister of Canada, Lloyd Axworthy, to prod, embarrass and cajole the United States and the other major powers to reduce their nuclear arsenals. That effort already had been given impetus this past week by Germany at a NATO foreign ministers' meeting in Brussels.

But the three nuclear powers, in NATO — the United States, Britain and France — argue that nuclear weapons are an effective deterrent against ag-

gression. And in the Canadian government, Mr. Axworthy faces opposition from Defense Minister Art Eggleton and other cabinet members who are reluctant to challenge allies on the issue.

The committee report criticizes the United States for talking out of both sides of its mouth on the question of nuclear nonproliferation — urging countries such as India and Pakistan to renounce nuclear weapons, while keeping them at the ready for its own use.

It also declares that nuclear deterrence is an outdated and dangerous concept. And it cites evidence from a range of military planners that battlefield, or tactical, nuclear weapons no longer have any military use.

William Graham, the chairman of the committee, said his aim was "not to start a huge dispute with the United States," but to encourage a review of a NATO nuclear doctrine that even many military specialists consider outdated.

U.S. officials note that the number of nuclear warheads in NATO's arsenal already has been reduced by 80 percent since 1991, with further reductions possible. But they warn that by pushing so publicly for the elimination of nuclear weapons, Canada, Germany and a number of smaller NATO members are jeopardizing the alliance's unity at a crucial time in its 50-year history.

"Minister Axworthy is pursuing a course that could lead to a growing and dangerous rift within the alliance," a U.S. official said.

3 Disappearances In Iran Raise Fear of Reprisals

New York Times Service

TEHRAN — The disappearances of three Iranian dissident writers in the last month comes at a time of heightened tensions between President Mohammed Khatami, who has been promoting reforms, and conservative forces in the Islamic government who have been the main target of the secular opposition.

Mohammed Jafar Pouyandeh, an author and translator, disappeared after he left his Tehran office Wednesday afternoon, his relatives said Thursday.

Associates of Mr. Pouyandeh said they believed he had been killed, adding to concerns that critics of the government are becoming the targets of violence and intimidation.

Mr. Pouyandeh, 45, was the third Iranian dissident writer to be reported missing in the last month. The two writers who had previously disappeared were both found dead in mysterious circumstances.

The body of Mohammed Mokhtari, a dissident and poet who was reported missing last week, was identified Wednesday, just hours before Mr. Pouyandeh's disappearance.

Iranian newspapers reported Thursday that Mr. Mokhtari, 45, had died of suffocation, and one of them quoted a relative as saying that his body bore bruises around the neck.

Iran Says Its Missile Industry No Longer Needs Outside Help

Reuters

TEHRAN — Hashemi Rafsanjani, a former Iranian president, said on Friday that the United States was no longer able to curb Iran's missile industry because Tehran had largely reached technological self-sufficiency.

Mr. Rafsanjani, who now heads a top state agency, also dismissed charges that Tehran sought to develop biological weapons.

"Missile production has truly become a local technology in Iran," he said. Referring to the United States at a weekly prayer gathering, he continued: "Despite their efforts, it is out of their hands now, thank God, because we have reached the level we needed to get to."

As he spoke, a high-level U.S. team was in Russia, complaining about alleged illicit transfers of Russian missile technology to Iran.

"Iran is today a proper missile producer which does not need any country, not China, not Russia and not others," the Iranian leader said in remarks carried by Tehran radio.

"We started from scratch, sometimes using parts or technology from outside. We have also used Western technology, including our scientists who have studied in America itself."

Iran said its navy tested Iranian-made ballistic and cruise missiles at the end of war games in the Gulf on Thursday.

In July, Iran tested the medium-range Shehab-3 missile, which it said had a range of 1,300 kilometers (812 miles).

Israel and the United States have repeatedly expressed concern over Iran's missile capacity, urging Russia and China to stop any transfers of technology to the Islamic republic.

Iranian Scientist Issues Denial
William J. Broad of The New York Times reported earlier from New York:

An Iranian scientist has denied that he tried to recruit biologists who formerly worked on Moscow's germ-warfare program to develop similar weapons for Iran, as American officials and Russian scientists have reported.

The scientist, Mehdi Rezayat, was identified by The New York Times this week as a key figure in an Iranian purchasing network meant to speed the development of nuclear, chemical and biological weapons.

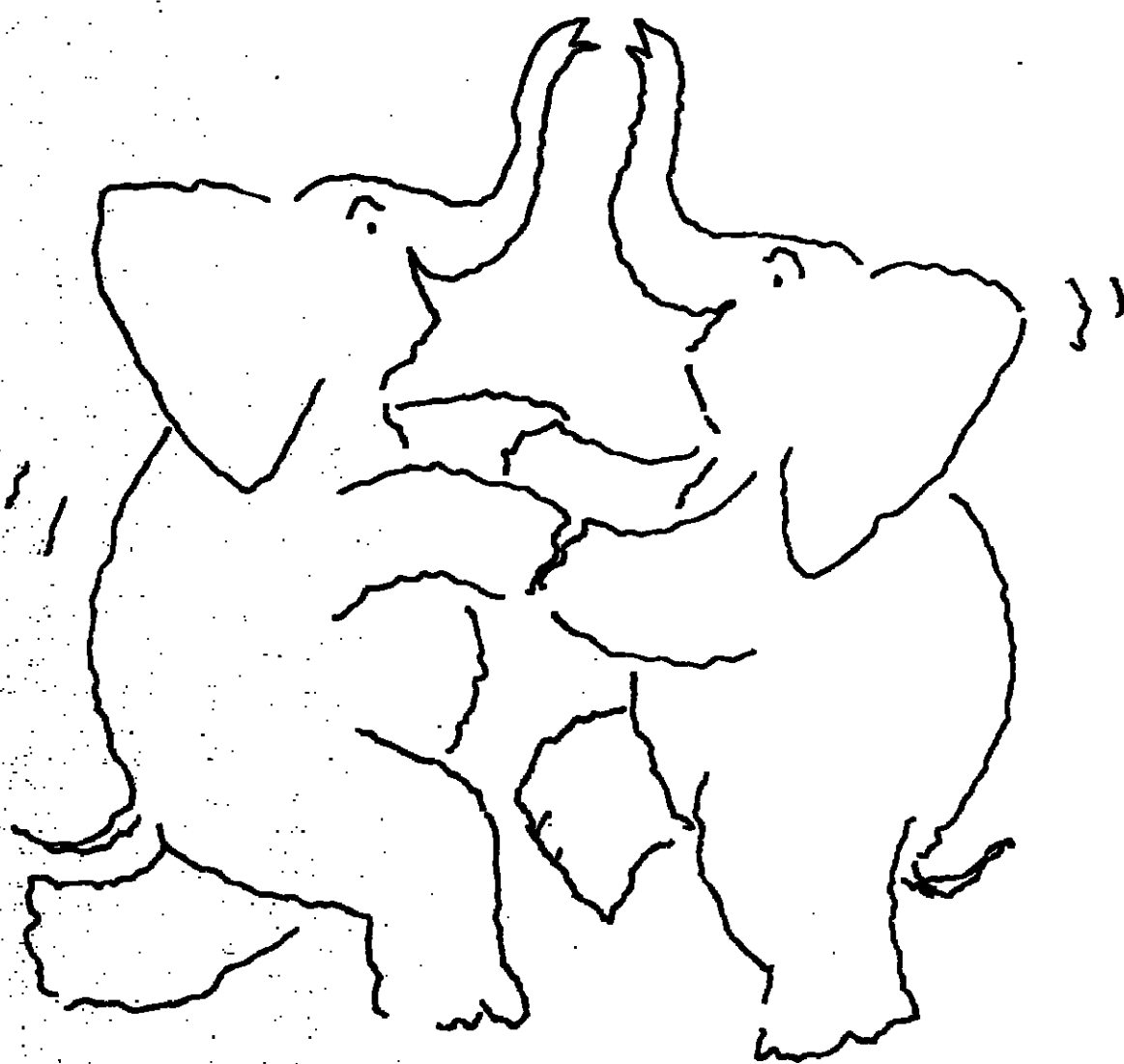
But he said Thursday that his approaches were entirely peaceful and that he was only trying to acquire the talent and technology to make diagnostic kits for hepatitis and AIDS, and antibiotics and other medicines.

The article, he wrote, "astonished me very much," adding that his only goal was to "fulfill the needs of his country in medical fields."

His comments were contained in a letter faxed Thursday to the television channel MSNBC, which translated and published them and provided a copy to The Times.

Efforts to reach Mr. Rezayat on Thursday were unsuccessful.

TWO STRONG PARTNERS WILL COME TOGETHER!
FIND OUT MORE ON DECEMBER 18, 1998.



Violence Mars Clinton's Visit To Peace Talks In Jerusalem

JERUSALEM — On the eve of President Bill Clinton's arrival, Israeli troops opened fire Friday on hundreds of Palestinian stone-throwers, killing two and wounding 32 during a protest against Israel's refusal to release prisoners, hospital officials said.

The violence, coupled with Israel's tough positions concerning the peace agreement Mr. Clinton is coming to promote, stepped up concern about his visit.

Earlier Friday, Israel rejected a U.S. compromise on the release of Palestinian prisoners and also affirmed that it will not withdraw troops in the West Bank unless the top Palestinian decision-making body holds a vote to annul clauses of the Palestine Liberation Organization's charter calling for Israel's destruction.

The violence Friday erupted when about 400 Palestinians threw stones at Israeli soldiers outside a West Bank town and the soldiers fired tear gas, rubber-coated steel pellets and live ammunition to disperse the crowd, Palestinian witnesses said.

Two 18-year-old Palestinians, Mohammed Suleiman and Kamal Adwan, were killed by live bullets in the head. Two were wounded by live fire and others were hurt by rubber bullets, according to officials at a Palestinian clinic.

The protesters had gathered after noon prayers to press for the release of Palestinian prisoners, a key point of contention between Israel and the Palestinian Authority.

Israel has pledged to release 750 prisoners in three stages by the end of January. The Palestinians have said Israel broke a promise to release prisoners held for anti-Israeli activities. Israel said it never made such a pledge and accused the Palestinian Authority of incitement over the prisoner issue.

The Palestinian negotiator Saeb Erekat said the United States offered a compromise, a bilateral committee to go over the list of prisoners one by one and determine who will be released.

But the Israeli cabinet secretary, Danny Navet, said Friday that such a proposal was unacceptable. "Israel has not been offered such a compromise, and there will not be such a compromise," he said.

The other point of contention is the meeting Monday of the Palestine National Council in Gaza City. Mr. Clinton is to address the council, which, under the Wye River peace agreement, is to reaffirm earlier decisions by lesser bodies to revoke PLO charter clauses.

The Palestinians have said they would revoke the clauses only by acclamation, not by a vote as Israel has demanded.

Israeli officials said, however, that they would not drop their demand for a vote. "They have to vote at the PNC," said a government spokesman, otherwise Israel will not turn over additional West Bank territory to the Palestinians because "transfer of territory is irreversible."



A Palestinian youth throwing a gas canister at Israeli soldiers during a clash Friday that resulted in two deaths.

GAZA: Son Sees Same Goal by 2 Pathways

Continued from Page 1

its revolutionary foes in Nicaragua, Iran and elsewhere. The name he gave his son, Jihad, means holy struggle in Arabic.

"Almost every enemy of the U.S. for the last 20 years, it was my dad who supported them," said Jihad Wazir, who is 35. "But now things are different."

The son, who spent a decade in the United States, chose another path. Against his father's prediction, he was granted a visa by the United States and took engineering degrees from Marquette University in Wisconsin and the Milwaukee School of Engineering.

Although he maintained close contacts with the Arab world — he volunteered in a Red Cross hospital in Baghdad during the Gulf War — Mr. Wazir regards America as a potential ally for the Palestinians, and a crucial one. As he directs the installation of phone lines, lights and cameras at the Gaza convention center, he has not lost sight of what matters most to the Palestinians about the Clinton trip: the first ever to Palestinian-ruled territory by an American president.

"There is a growing recognition in the U.S. administration of the need for a Palestinian state," he said. "They would not say that, but the whole concept of a right to self-determination is an American concept."

"That's why Clinton's coming is a ray of hope for us," he said.

The Israelis see the visit to Gaza differently. When they assented to it during U.S.-brokered negotiations this fall in Maryland, the idea was that the president would attend a gathering of hundreds of senior Palestinian officials who would finally renounce the parts of the PLO charter that call for the destruction of Israel. That Mr. Arafat regards the event as a veiled form of American recognition of Palestinian aspirations for sovereignty has disturbed many Israelis deeply.

Mr. Wazir sees the trip in broader terms. "The whole issue of the charter is a non-issue," he said dismissively. "In order to have peace in the Middle East

you have to address the needs of the Palestinian people."

Mr. Wazir left the United States in 1994 and came to Gaza, to which Mr. Arafat had returned to build his Palestinian Authority after the start of the Oslo peace process.

His family constitutes what passes here for Palestinian royalty. His mother, Intisar, is Palestinian minister for social affairs and lives in one of the most opulent villas in Gaza. Mr. Wazir drives a Mercedes and is managing director of the World Trade Center Palestine, a commercial consulting group. His wife, Thumaya, is a corporate lawyer.

Mr. Wazir may not have adopted his father's means, he says carefully, but the goal remains much the same.

"My dad was a pragmatist and selfless in his devotion to the cause," Mr. Wazir said. "He wasn't into slogans."

The Clinton visit to Gaza is critical, he said, "as a recognition of Palestinian aspirations. My dad was for that."

"Things have changed," he said. "There is a new era that requires new arrangements, new agendas."



Jihad Wazir in Gaza on Friday preparing for Mr. Clinton's visit.

U.S. Bars Raids on Iraq Before UN Tests Finish

WASHINGTON — The United States said Friday that it would take no military action against Iraq before it had the results from a series of United Nations initiatives to test Iraqi compliance with inspections for weapons of mass destruction.

"They are in the middle of that right now," President Bill Clinton's national security adviser, Samuel Berger, said during a briefing on Mr. Clinton's trip to the Middle East this weekend.

"We want to see this process play its course," he added.

Iraq has refused a demand by the UN Special Commission, known as Unscop, for documents and has blocked the inspection of an office of the ruling Ba'ath Party even though it agreed to unfettered access when it was confronted with U.S. military strikes last month.

Secretary of State Madeleine Albright, who was also at the briefing, rejected a suggestion that Washington, by not using the U.S. military force still in the region, was giving President Saddam Hussein a green light to continue interfering with the commission's work.

"Absolutely not," she said.

She added that, during a visit to NATO headquarters in Brussels and to France this week, she assured American allies of U.S. resolve to act without warning if Iraq continued to defy UN demands.

She added that she told them that if there is no compliance "there are no warnings and that diplomacy has come to an end."

"But at the moment, we are in the middle of the process," she continued, "and therefore, I think we need to wait to see what our reaction is," depending on "if there is compliance or noncompliance."

Mr. Berger was asked whether the United States was backing away from a pledge to strike Iraq if it broke the agreements on access.

"I think we've said all along that the best option here would be an Unscop that can do its job," he replied.

"If Unscop can't do its job, then we're left to take our own action. And that continues to be our position."

UN weapons inspectors testing Iraqi compliance continued to work Friday.

"Some of the teams went out, not all," said a Unscop spokesman, Caroline Cross.

She did not say if the reduced operations were in deference to Iraqi requests that inspectors respect the Muslim Sabbath.

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CHINESE: Malaysian Haven for Outcasts

Continued from Page 1

Malaysia and Indonesia have maintained largely separate identities from the indigenous populations and have maintained cross-border business ties.

It was no surprise that many of the Indonesian Chinese escaped to places like Penang and Singapore when violence broke out in May.

Those who came to Penang were mostly from Medan, Indonesia's fourth largest city located almost directly across the Strait of Malacca. The two cities share centuries-old trading, cultural and family links.

But despite these historic links, many of the Indonesian Chinese have had a difficult time fitting in. In addition, those who are not studying here have been granted only "visit passes" by the immigration authorities, often valid for just a month.

Ingrid, for instance, who watches over her four children in Penang, must leave the country every three weeks to renew her visitor's visa.

Yet, many of the Indonesian Chinese living here say they would move permanently to Malaysia if they were given the chance.

Across town from Mewah Court, three Indonesian Chinese college students looked puzzled when asked if they would like to stay permanently in Malaysia.

"Of course!" they said in unison.

In May, one of the students, Roswaty Anwar, 18, spent a night crouching on the second floor of her house in Indonesia as mobs threw rocks through her windows and burned two of her neighbor's cars.

"My mother said, 'The faster you go, the better,'" she remembered, adding with a trace of bitterness. "For us Chinese, there is no place."

In a strange way, the recent violence in Indonesia, however, has helped revive the historic ties between Medan and Penang. Over the past three decades, the Chinese communities of Malaysia and Indonesia had drifted apart following concerted efforts by the Indonesian government to integrate the Chinese minority into mainstream society.

Many young Indonesian Chinese never learned Hokkien, the prevalent dialect in both Medan and Penang, or any other Chinese dialect. Some, like Miss Roswaty, speak a mixture of Hokkien and Malay, but cannot read or write Chinese.

Today, the Indonesian Chinese studying in Penang are taught Mandarin and Hokkien, learn traditional songs and celebrate Chinese festivals with their Penang ethnic cousins.

Many Indonesian Chinese would move permanently to Malaysia, if given the chance.

Continued from Page 1

After so many years of trying to assimilate into Indonesian society, they have been rejected," said Lim Seng Chai, an administrator at Han Chiang High School in Penang, which took in 400 students after the violence in May.

"So they search for their roots."

"And if they don't know Mandarin they can't study their history," he added.

Language has been a major barrier for the older Indonesian students, many of whom only speak Malay and English and who cannot pick up Chinese dialects as quickly as the younger children.

Richard Falvey, an English teacher at the British Council in Penang, said he once instructed some of his teenage Indonesian students to write an essay about the differences between Malaysia and Indonesia.

"They were writing a lot about the Chinese Malaysian reaction to them," Mr. Falvey said. "As soon as they opened their mouth and spoke bahasa rather than a Chinese dialect they were looked down on," he said, referring to the Malay dialect.

In many ways, however, Penang's Chinese community was quick to embrace the Indonesian Chinese after the violence in May. Schools hired dozens of teachers to accommodate the new students, and local churches welcomed the new parishioners.



Former Chancellor Helmut Kohl of Germany receiving applause from Prime Minister Tony Blair of Britain, left, and President Jacques Chirac of France, right, after he was made Honorary Citizen of Europe Friday in Vienna.

SUMMIT: EU Leaders Agree to Set Employment Guidelines

Continued from Page 1

financing of the EU beyond laying out widely divergent positions.

It seemed likely that the leaders would leave it to Germany to attempt to unravel the problem, which would be discussed again at a special summit meeting in March. Germany will assume the rotating presidency of the EU on Jan. 1.

At issue is a proposal called Agenda 2000 to finance the EU from 2000 to 2006 and prepare the way for an expansion that could see a community of 21 members in the next few years, and eventually as many as 26. Germany, which bears the brunt of financing the EU, says that unless its \$13 billion net contribution is reduced and unless EU finances are radically overhauled, enlargement may be delayed or even aborted.

Jacques Santer, the president of the European Commission, said that failure to agree on the package of internal reforms would result in "uncertainty and a long-term crisis." It would undermine the "elan of the euro," he warned, and send a negative message to countries waiting to join the EU.

Countries expressed willingness to cooperate on the budget while offering no concessions on positions that would make agreement attainable. France, for example, appeared to have adopted a position of "what is yours is negotiable, but keep your hands off what is mine."

Mr. Chirac called for everything to be put on the table, for it to be negotiable, a spokesman said. But when asked if this included co-financing of the Common

Agricultural Policy, which accounts for half the budget, the spokesman replied that this was an acquired right, an "acquis," and was therefore not open to negotiation.

Germany has proposed that national governments should pay for part of the farm funds, or co-finance them, out of national budgets.

France insists that the agricultural policy must continue to be paid for collectively.

The French, however, do not regard Britain's budget rebate of 3.2 billion ecus (\$3.75 billion) this year as such an

acquired right. Mr. Chirac said it went against the community spirit of sharing resources.

But a British spokesman said the rebate was "not negotiable."

On another front, an attempt, led by Britain and France, to reopen the question of ending duty-free sales in Europe next year appeared destined for failure.

Several countries, including Italy, Belgium, the Netherlands, Luxembourg and Denmark, said they saw no reason for reviewing the unanimous 1991 decision to end tax-free sales for travelers within the EU.

Max Streibl, Bavarian Politician, Dies at 66

MUNICH — Max Streibl, 66, who led the southern German state of Bavaria from 1988 to 1993, died Friday after suffering a heart attack.

"Streibl was a passionate Bavarian, a convinced federalist and a champion of a regions-based Europe," said the parliamentary president, Johann Boehm. Bavaria's Parliament observed several minutes of silence Friday in his honor.

Mr. Streibl's political career began in 1962 when he was elected to the Bavarian State Parliament for the ruling Christian Social Union. Mr. Streibl was appointed secretary-general of the party in 1967. He became state finance minister in 1977 and state premier 11 years later.

He resigned in 1993 under the cloud of the "Amigo affair," with allegations surrounding government loans to an aviation entrepreneur of millions of Deutsche marks for a fighter plane project.

Martin Rodbell, Nobel Scientist

New York Times Service

Martin Rodbell, 73, a biochemist who shared the 1994 Nobel Prize in Medicine and Physiology for shedding light on the mysteries of life's basic processes, died Monday of cardiovascular disease in Chapel Hill, North Carolina.

Mr. Rodbell's career spanned more than four decades with the National Institutes of Health in Bethesda, Maryland. He formally retired in 1994 from

the National Institute of Environmental Health Sciences in North Carolina's Research Triangle Park, but continued his research.

Mr. Rodbell and Alfred Gilman, a pharmacologist, won the Nobel Prize for their work on a component of the communications system that regulates cellular activity, known as G-proteins. The discovery of those proteins and how they work led to the knowledge that some types of cancer are caused by mutated and hyperactive G-proteins.

In 1970, Mr. Rodbell found that the signal transmission, or transduction, by which the body's cells get their directions requires a tiny intracellular molecule called guanosine triphosphate.

Jack Straw, the British home secretary, explicitly dismissed the complaint in deciding Wednesday that the extradition petition was valid and should proceed to the English courts.

Geoffrey Bindman, the lawyer for Amnesty International, called it "diversion and nonsense" and noted that the law firm representing General Pinochet, Kingsley Napley, had itself contributed \$1,700 this year to a new headquarters building for the charity with which Lord and Lady Hoffman are associated.

ART

In an Unreal City, Real Art Beats the Odds

By Michael Kimmelman
New York Times Service

LAS VEGAS — This being Las Vegas, the art gallery at Stephen Wynn's new Bellagio Hotel was still open at 11 o'clock, so I wandered in. Every day, I'm told, 1,800 people, the maximum number allowed, pay \$10 to see what is in the gallery's two small rooms (dark walls, spotlights on the pictures). Half the visitors buy the \$4 audio guides narrated by Wynn.

The crowds had thinned at night, which made it easier to see the Brancusi and Giacometti sculptures and a big Franz Kline painting called "August Day." I mention these three works, among the couple of dozen things on view, because the next morning, when I returned to take another look, poof! They were gone. They'd been sold and shipped out in the middle of the night.

Hey, this is Vegas. What do you expect? Novelty rules. Did you see the Bellagio's advertising blitz, with its pictures of lovers on balconies and spouting fountains? Of course, much of the hoopla about the hotel was generated not by advertisers but by art writers who, in praising the art that Wynn had

bought, helped to sell the idea of the place as a quasi-museum.

Las Vegas, we were led to understand, was no longer a city of simulated histories, stuck forever in the ephemeral present. Now it had real paintings and sculptures, which linked it to cultures older and bigger than itself.

Except, as it has turned out, it didn't necessarily have these particular paintings and sculptures, because like everything else in gambling's unofficial capital, the art was for sale. Wynn legally became an art dealer to get a tax break on the collection, a situation that requires him to keep the art in the gallery on the market.

I thumbed through the collection catalogue, a remarkably good document put together by his curator, Libby Lumpkin, with essays by such writers as Dave Hickey and Peter Schjeldahl and Richard Schickel. I calculated that half a dozen of the works in the catalogue had already been sold: besides the works by Brancusi, Giacometti and Kline, a Johns, an Oldenburg and a Lichtenstein are gone. A couple of Warhols are poised to go; they've been removed from the gallery.

If I sound critical, I am not. What Wynn is doing doesn't bother me. There's something refreshing about the

fact that his money is, so to speak, on the table. If Wynn treats great works of art a little like poker chips, if what he enjoys is the art of the deal, he is no different from many other collectors, just more public about his activities.

Give him credit. He has found a way to sell his hotel by promoting his art and to sell his art by promoting his hotel, the buzz about one helping to stimulate the buzz about the other.

Even the money the gallery rakes in from tickets and audio guides (around \$25,000 a day) seems to me proof of Wynn's marketing savvy, not because the money helps the hotel's bottom line (it goes to charity, Wynn says) but because, in this city, charging admission makes more people want to look at the money, nothing worthwhile is free. Hence, the gallery's appeal is paradoxically enhanced by its fee.

I mention all this because I had the sense, in looking at Wynn's collection and in watching other people look at it, that something rather curious was taking place. It has to do with wonderment. The art here has acquired a life that seems to match its new, unorthodox environment. Las Vegas exists for the pursuit of pleasure. People who have

never looked at art before are discovering a new pleasure in Cezanne, which can't be a bad thing. After I stopped into the gallery at night, I went to see the hotel's other big attraction, the Cirque du Soleil's "O," as in "can." It's like most Cirque du Soleil shows — the same acrobatics, basically — except that much of it takes place in a vast pool of water, which miraculously comes and goes on-stage.

I mention it because "O" is not unlike the hotel's art gallery, in that its gimmick involves something foreign to Las Vegas. Las Vegas is a desert, and just as you don't expect to find great art here, you don't imagine that a lake can be conjured up, then suddenly made to disappear.

A FUNNY thing happens as a result of this cognitive dissonance: Neither the art nor the water seems altogether real at first. They are initially absorbed into the simulationist culture of Las Vegas — they seem unbelievable.

Hickey, the art critic, who lives here, jokingly describes the situation as "post-hyper-real." Spectacle being the ultimate form of reality here, real art becomes a kind of phenomenon akin, say, to the world's biggest gold nugget at Wynn's Gold Nugget casino.

Authenticity as a thing in itself becomes an attraction. Visitors to the Bellagio are enticed by the idea of their proximity to a genuine Monet. I heard a man in the gallery ask whether the art was real. In one of the hotel's restaurants, which has a number of Picassos on its walls, diners ask the staff the same question.

Hence, the aura of the true object is enhanced by contrast with its opposite. This is one of the odd lessons here. Another lesson: Good art is astonishingly elastic. It survives almost anything and adapts to whatever circumstances you put it in, opening itself up to new meanings and allegories. Hickey mentioned to me the way a Modigliani por-



A scene from the Cirque du Soleil's production "O" at the Bellagio.

trait in the collection looked when, at one point, it was hung over a baccarat table in the hotel's casino. The picture's suave, Mediterranean sensibility suddenly became apparent in a way that would not necessarily occur in a museum.

Not all paintings are at home in museums, after all. Most of them weren't painted with museums in mind. Museums are neutral and neutralizing spaces, which is why it is a lot more memorable to come upon a good 1970s De Kooning behind the registration desk of a Las Vegas hotel than in the Museum of Modern Art.

Lately the Pop pictures sold by Wynn (who is himself a kind of pop figure and therefore perhaps too close to pop to see fully its merits) have been replaced by a Rembrandt and an excellent Rubens, both on approval, meaning he is thinking about buying them.

Having taken the measure of his audience and the art market, he's clearly reconsidering the slant of the collection, selling off post-1950s art to orient what is on view more to the tastes of the

novice public that the hotel attracts. To Wynn's credit, he doesn't seem to want to compromise the quality of what's on view in the process. At least not so far.

IT HAS been said that Las Vegas is the most democratic of cities because slot machines don't care what race you are or where you went to school: Everyone faces the same odds. In a way, Wynn seems to regard his gallery of multimillion-dollar paintings as a populist enterprise. I would add that it is also a symbol not of a new, culturally mature Las Vegas but of the old, wild, unpretentious Las Vegas, where everything is fantastical and nothing stays the same.

Wynn says that only a great deal of money would cause him to part with his favorite works in the collection (a Van Gogh, a Cezanne, a few Picassos), a statement meant to signal that his art is not entirely up for grabs. We'll see. I suppose this is about as much of a guarantee of stability as you can expect around here.

Souvenirs of Life to Ease a Journey to the Next

By Holland Cotter
New York Times Service

PROVIDENCE, Rhode Island — If you were packing your bags for a trip to the afterlife, expecting to settle in for a spell, what would you take? Something pretty? Something protective? Something sentimental: a souvenir, maybe, of where you'd been?

The ruling elite of ancient Egypt, who envisioned the hereafter as a high-polish version of the here and now, kept all of these requirements in mind when they chose their traveling gear. And some sense of their taste in such matters can be gleaned from a gem of a show, "Gifts of the Nile: Ancient Egyptian Faience," at the Rhode Island School of Design Museum here through Jan. 3.

Faience was a medium with a particular allure for the Egyptians, and they used it to create some of their most memorable art. The 200 or so objects here — sculptures, amulets, jewelry and dishes borrowed from museum collections in the United States and Europe — are gorgeous and weighty with information.

Faience, a nonclay ceramic, began

as a paste made from two materials emblematic of Egyptian life: sand from the parched, devouring desert, and water, associated with the nurturing Nile. A coloring agent was added, usually powdered copper. Objects were shaped by hand or in molds; kilns were heated, and the stage was set for a magic act.

Going into the kiln, faience was doughy and dull gray, but it emerged transformed: rock-hard and coated with a succulent glaze, often aquamarine, though the chromatic possibilities were wide. The Egyptians called the results *shesemet*, which, the show's catalogue explains, means "immaculate, like the sun and stars." This seemingly self-generated brilliance became emblematic of rebirth, which may explain why the Egyptians valued faience as highly as they did and why many spectacular examples are found in their tombs.

Spectacular is not too strong a word for much of the work in the exhibition, organized by Florence Dunn Friedman, curator of ancient art at the Rhode Island School of Design.

Faience was often used for royal portraits, and one of the show's highlights, on loan from the Metropolitan Museum of Art, is the likeness of King Amenhotep III in the form of a sphinx.

The sculpture is no larger than a doorstop or a bookend, but the leonine body and youthful, smiling head feel gently monumental.

Other objects linked to royalty abound, including doll-size faience wigs made for stamens of kings or queens. And because of its vivifying reputation, faience was closely identified with women and fertility. The show includes several cult statues of the grotesque god Bes, protector of infants and new mothers, as well as images, possibly talismans, of women as passive erotic subjects.

Among objects created specifically for funerary use one finds a pectoral on which the goddess Isis leans back against her outstretched wings like Jean Harlow on a Deco sofa. In one cult image, the god Thoth has a male model's build but a bird's head; in another, he is a plump hermaphrodite wearing jackal-headed carpet slippers.

The privileged classes of ancient Egyptians may have had no more hard proof than anyone else, but they were geniuses at inventing an afterlife, and "Gifts of the Nile" captures its essence with a wish list cargo of treasures suitable for sailing off into a faience-blue beyond.

MAKING THE WISEGUYS WEEP

The Jimmy Roselli Story
By David Evanier. 260 pages.
\$24. Farrar Straus Giroux.Reviewed by
Jonathan Yardley

THIS rather peculiar book is, if nothing else, a useful reminder that in the vast world of American popular culture a performer need not be famous to be hugely, indeed wildly, successful. Jimmy Roselli, born as Frank Sinatra in the dreary New Jersey city of Hoboken, has enjoyed none of the global celebrity that befell his late contemporary and rival, yet within the Italian American community of the Northeast United States he is every bit as well known, and as a result earns what most Americans would regard as a staggering amount of money.

Exactly why David Evanier chose to write a biography of Roselli is far from clear. As his title indicates, he spends a fair amount of time on Roselli's on-again, off-again

connections to the Mafia, and he is interested as well in the various ways that Italian culture lives on in (and adapts to) the country among those who moved there and their descendants. But Roselli does not have a particularly interesting story, and Evanier does not make much from the raw material it offers.

Roselli is now in his early seventies, but advancing age seems to have had little effect on his singing voice, the "reach, passion, power and warmth" of which, Evanier says, "make it one of the great experiences in American popular music." Specializing in sentimental Neapolitan songs and "saloon songs" of the Gay Nineties, such as "My Gal Sal," "When I Lost You" and "My Melancholy Baby," Roselli performs pretty much when he feels like it and "commands a staggering nightly fee of up to \$100,000 a performance," earning "well over a million dollars a year."

His audience is mostly, if not exclusively, Italian American. It represents the entire range of that community, women most particularly, whatever their age or income or status, they swoon over Roselli just as women of every sort swooned over Sinatra in the years when he was, simply, The Voice. Roselli is particularly admired

at all levels of the Mafia, and over the years has crooned the "treacly" 1929 tearjerker "Little Pal" to Carmine (the Snake) Persico, Sam Giancana, Carmine Galante and Carlo Gambino. A person familiar with this aspect of Roselli's career describes it: "They'd sit there listening to him sing these Italian love songs or songs about Mama, about their parents and how they grew up, that fitted into these guys' lives. Bent-nose guys, big guys. They'd be there, a dozen of them, crying. I'd go backstage afterward and Jimmy would say, 'You see those guys? I had 'em cryin' like babies.' He'd get the biggest kick out of that. He told me a hundred times."

Yet if this has given Roselli satisfaction, it has also given him trouble. By his own testimony, he has not always marched in lockstep with the mob. For him as for many others growing up in places like Hoboken, "the attraction of the wiseguys, the allure of easy money, was powerful," and over the years he often succumbed to it. But he is also a prickly, independent and more than slightly self-destructive guy who has a penchant for making enemies and going his own way. In the late 1960s, after years of fairly close connections to the Mafia, he "stopped playing

footie with it and declared his independence of Mafia control."

Even though this declaration is not quite so emphatic as one might like to believe, essentially Roselli has been his own man for three decades. There is some reason to believe that this has cost him in fame and wealth, especially by contrast with Sinatra, who knew how to stay on friendly terms with godfathers and wiseguys and underworld characters, but he seems to have no regrets about it. He has found his place in the world, has made a going concern of it, and that seems to be quite enough.

If there are any morals to be drawn from this tale, Evanier does not lead the reader toward them. That murderous Mafioso can also be soft-hearted sentimentalists is a commonplace, and not a very appealing one, and this account adds nothing to our understanding of it.

The same goes for the Italian American community, the closeness and rich emotional life of which have been well documented over the years. Roselli is a mildly interesting example of how one person has made a successful and somewhat eccentric life for himself in that community, but that's about as far as the story goes.

Washington Post Service

The grandeur of Persia. The artistry of Japan. The middle of Brooklyn.

Works like these may be worlds and centuries apart, but this fall they happily coexist in one of America's largest and most important museums: The Brooklyn Museum of Art.



Great Persian Paintings
The Great Epoch 1795 - 1925
November 22 - January 24
The first major exhibition to explore the opulent visual arts of Persia during this dynasty.

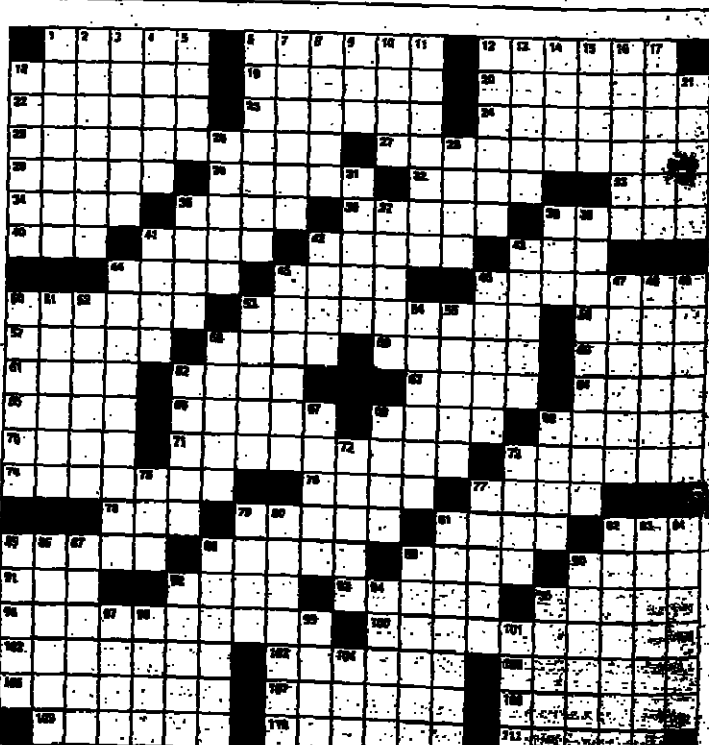
Japan in Fashion
Japan Dresses the West
November 26 - February 14
The influence of Japan on Western dress, as illustrated by this extraordinary collection of 75 costumes dating from the mid 19th century to present day.

BMA
Brooklyn Museum of Art

Great Persian Paintings made possible in part by the National Endowment for the Humanities, and by Museum and Foundation donors in memory of their dear friends and families. Major support by the Hagley Foundation, the National Endowment for the Arts, the Rockefeller Foundation, the Aronson Family and the American Museum of Natural History. Japan in Fashion organized by the Kyoto Costume Institute and the Brooklyn Museum of Art in conjunction with the Los Angeles County Museum of Art. Front cover support is provided by Visual America.

SOUNDS OF THE PAST By Richard Silvestri

- ACROSS**
- 1 Clog tin
 - 6 Comet clean
 - 12 Diner bottle
 - 18 Herange
 - 19 Carol opening
 - 20 Property receiver
 - 22 Cook on the screen
 - 23 "Three's Company" co-star
 - 24 Herder to plow, perhaps
 - 25 Finish last in a racing contest?
 - 27 Lumber on display?
 - 29 This side of
 - 30 Plunge suddenly
 - 32 Thirst quenchers
 - 33 Genealogy word
 - 34 Deceivers
 - 35 Spider-Man creator Lee
 - 36 Have relevance
 - 38 Foot
 - 40 Top gun
 - 41 A sequel of Dostoi's
 - 42 Commodities exchange area
 - 44 1888 warrior
 - 45 Dodge
 - 46 Breakwork
 - 48 Took wing
 - 53 Famed of Wisconsin people?
 - 56 Manchurian border river
 - 57 Collegiate starter
 - 58 Seeger of song
 - 59 Witch's place
 - 60 Team number
 - 61 Put away
 - 62 Brand of sauce
 - 63 One of the wealthy
 - 64 Jackson 5 member
 - 65 Bong
 - 66 Sound off
 - 68 Maze area
 - 69 Chairperson?
- DOWN**
- 1 Containing element #34
 - 2 Daughter of Minos
 - 3 Chorus section
 - 4 Significant person?
 - 5 Shade of blue
 - 6 Repose
 - 7 Inventor of the stock ticker
 - 8 Soap
 - 9 J.F.K. arrival
 - 10 Western tribe
 - 11 As the case may be
 - 12 1974 Oscar winner
 - 13 Bitter drug
 - 14 Castilian kinman
 - 15 Genesis son
 - 16 Workers' protectors
 - 17 Little fellow
 - 18 Source of carver
 - 21 Sea flock
 - 26 C₂H₆O, e.g.
 - 28 Groundless
 - 31 VCR button
 - 35 Sought damages
 - 37 Annapolis frost
 - 38 Go public with
 - 39 Remains sober?
 - 41 Ground-breaking person
 - 42 Like Galahad
 - 43 Sky pilot
 - 44 Group of beer drinkers?
 - 45 On the party side
 - 46 Put to the test
 - 47 Ornamental film
 - 48 On a high
 - 49 After-class nicker
 - 50 St. Louis Browns
 - 51 Fall-of-Fester
 - 52 In installments
 - 53 Kind of clock
 - 54 Get one's feet wet
 - 55 Present
 - 56 Go with the flow
 - 58 Original supply
 - 62 Tournament form
 - 67 City in the Ruhr
 - 68 Can't do without
 - 69 Grumbler
 - 72 Physician subdivision
 - 73 Rocky peaks
 - 75 Batman after Michael
 - 77 Ditch drink
 - 78 Hot and sour soup ingredient
 - 80 Overripe
 - 81 Stronghold
 - 82 Put out of competition
 - 85 Soli ad.
 - 86 Reprise
 - 88 No longer green
 - 89 Numbers game
 - 90 Astray
 - 91 Like "4"
 - 92 Sky-light
 - 93 Turn badly?
 - 94 Longhorn's feed
 - 95 Soli ad.
 - 96 Japanese sport
 - 97 Hardly hostile
 - 98 Point in the distance
 - 99 100
 - 100 Noteworthy days



© New York Times/Editorial by Wynn

Solution to Puzzle of 11/14/98

Across: 1. Clog tin; 6. Comet clean; 12. Diner bottle; 18. Herange; 19. Carol opening; 20. Property receiver; 22. Cook on the screen; 23. "Three's Company" co-star; 24. Herder to plow, perhaps; 25. Finish last in a racing contest; 27. Lumber on display; 29. This side of; 30. Plunge suddenly; 32. Thirst quenchers; 33. Genealogy word; 34. Deceivers; 35. Spider-Man creator Lee; 36. Have relevance; 38. Foot; 40. Top gun; 41. A sequel of Dostoi's; 42. Commodities exchange area; 44. 1888 warrior; 45. Dodge; 46. Breakwork; 48. Took wing; 53. Famed of Wisconsin people; 56. Manchurian border river; 57. Collegiate starter; 58. Seeger of song; 59. Witch's place; 60. Team number; 61. Put away; 62. Brand of sauce; 63. One of the wealthy; 64. Jackson 5 member; 65. Bong; 66. Sound off; 68. Maze area; 69. Chairperson?

Down: 1. Containing element #34; 2. Daughter of Minos; 3. Chorus section; 4. Significant person; 5. Shade of blue; 6. Repose; 7. Inventor of the stock ticker; 8. Soap; 9. J.F.K. arrival; 10. Western tribe; 11. As the case may be; 12. 1974 Oscar winner; 13. Bitter drug; 14. Castilian kinman; 15. Genesis son; 16. Workers' protectors; 17. Little fellow; 18. Source of carver; 21. Sea flock; 26. C₂H₆O, e.g.; 28. Groundless; 31. VCR button; 35. Sought damages; 37. Annapolis frost; 38. Go public with; 39. Remains sober; 41. Ground-breaking person; 42. Like Galahad; 43. Sky pilot; 44. Group of beer drinkers; 45. On the party side; 46. Put to the test; 47. Ornamental film; 48. On a high; 49. After-class nicker; 50. St. Louis Browns; 51. Fall-of-Fester; 52. In installments; 53. Kind of clock; 54. Get one's feet wet; 55. Present; 56. Go with the flow; 58. Original supply; 62. Tournament form; 67. City in the Ruhr; 68. Can't do without; 69. Grumbler; 72. Physician subdivision; 73. Rocky peaks; 75. Batman after Michael; 77. Ditch drink; 78. Hot and sour soup ingredient; 80. Overripe; 81. Stronghold; 82. Put out of competition; 85. Soli ad.; 86. Reprise; 88. No longer green; 89. Numbers game; 90. Astray; 91. Like "4"; 92. Sky-light; 93. Turn badly; 94. Longhorn's feed; 95. Soli ad.; 96. Japanese sport; 97. Hardly hostile; 98. Point in the distance; 99. 100; 100. Noteworthy days.

ART

A Masterpiece Of the 1400s

Works of a Mystery Genius

By Hank Burchard
Washington Post Service

WASHINGTON—Sandwiched between the blockbuster Van Gogh and Edo exhibitions at the National Gallery of Art is another show of such depth and beauty it would be the headliner at almost any other major museum.

"Love and War: A Masterpiece of the Middle Ages," which runs through Jan. 31, displays the masterwork of a mystery artist who has fascinated art lovers and historians for more than 500 years.

The 15th-century illuminated German manuscript was drawn and painted by a genius known only as "The Housebook Master." It has been borrowed from the princes of Waldburg-Wolfegg, who have held it in the treasure room of their castle in Baden-Wuerttemberg in southern Germany since about 1650, when it was acquired by their ancestor, Imperial Hereditary Lord High Steward Maximilian Willibald (1604-1667).

The Housebook, probably prepared for the castellan, or overseer of a castle, is so delicate it is rarely shown even at home. It is all the more invaluable because of the insights it gives into the real, rather than the formalized or romanticized, life and times of the late Middle Ages.

Its antiquity alone would make the Housebook precious, but it is art of such a high order as to be ageless. The exhibition's curator, Andrew Robinson, salutes the master as the earliest major user of drypoint engraving, a technique by which an image is drawn directly on the printing plate with a sharp stylus. This allows great spontaneity, fluidity of line and subtlety of shading, although the delicate lines degrade after only a few impressions.

The Housebook Master stood head and shoulders above most of his contemporaries. He ranks with any artist of any time in his draftsmanship and his ability to suggest human character and relationships and to depict motion and emotion. His embrace was universal: Princes, priests, prostitutes, peasants and prisoners are rendered with equal attention and sensitivity. A captivating drawing of babies at play is one of the earliest and rarest examples of children featured as the central subject of an artwork.

AND he is funny. His panorama of a house of ill repute is a hoot, and only the brain-dead could fail to delight in the master's parodies of the puffy of princesses, the fables of lovers and the caving of cars.

The darker side of medieval life is not neglected. Heads roll in battle, towns are sacked, maidens are ravished, pilgrims and merchants are waylaid and slain. A substantial part of the book's five dozen pages are devoted to jousting, military drill, tactics, artillery and siege engines. Another section concerns engineering, mining and metallurgy, the source of the wealth of a new European industrial and commercial class that gave rise to reform, revolution and the Renaissance. The exhibition includes 19 of the Housebook Master's works from Amsterdam's Rijksmuseum—the unknown artist also is known as the Master of the Amsterdam Cabinet—and all four of the master's works held in American collections.

Scholars have debated for centuries whether the Housebook is the work of more than one artist, because the illustrations are not of uniform excellence and none are signed or even initialed. The consensus is that all or nearly all of them came from the same hand, that the works were executed over a considerable period of time and that the variations are due to the artist's developing skill.

This exhibition is possible because the book was unbound for conservation, study and the preparation of the full facsimile edition for which antiquarians have long clamored.

Too Late for Beginners in a Shrinking Field

By Soreen Melikian
International Herald Tribune

LONDON—An era is coming to a close. The days are over when collecting Impressionism and the art of the avant-garde schools that succeeded it until World War I helped define the aesthetic participation of a whole society, if only through major donations to museums.

Supplies are down to a trickle, and while Michel Srauss of Sotheby's, the great 19th- and 20th-century painting guru in the auction world, has a point in insisting that major works are still held privately, the fact is that they barely turn up at auction any more. A few established collectors may continue to feed their passion at intervals, but for new ones to come in would be pointless. There is too little of consequence left to start now.

Sotheby's prime-time sale on Monday night was skeletal compared with any auction of similar ambitions a quarter of a century ago. It ran to 51 lots, of which 24 were bought in, not because money for art is scarce but simply because they were not good enough.

The two pictures billed as the jewels in the crown said all about the dearth of goods.

Gauguin's guitar player illustrated on the cover of the sale catalogue was a quasi-academic portrait dressed up in the colors of soon-to-be Fauvism. Giddy optimism had inspired the auction house to give it a £2.2 million to £3.3 million (\$3.5 million to \$5.3 million) estimate. Unsold at £1.75 million, it was negotiated to an interested party in the room before the sale had even ended, amounting to one more auction house admission that "estimates" mean nothing.

The other "star," also saddled with a £2.2 million to £3.3 million estimate is unlikely to be dispatched quite so promptly. "Le Dejeuner Sous la Tente" by Monet is an unfinished picture in which the idea of a couple seated at a table set under a tent is sketched in broad, elementary brush strokes. The painter must have dumped it in a corner of his studio where the executors of the estate found it and had it stamped with a signature. It fell unwanted at £1.5 million.

Christie's appeared to be luckier with its Tuesday evening session as it managed to dispose of 25 of 32 lots, but it was a matter of style rather

than substance. The results, lower than Sotheby's on Monday, told the same tale—too little is left at prices that are too high. Run-of-the-mill works are increasingly difficult to sell.

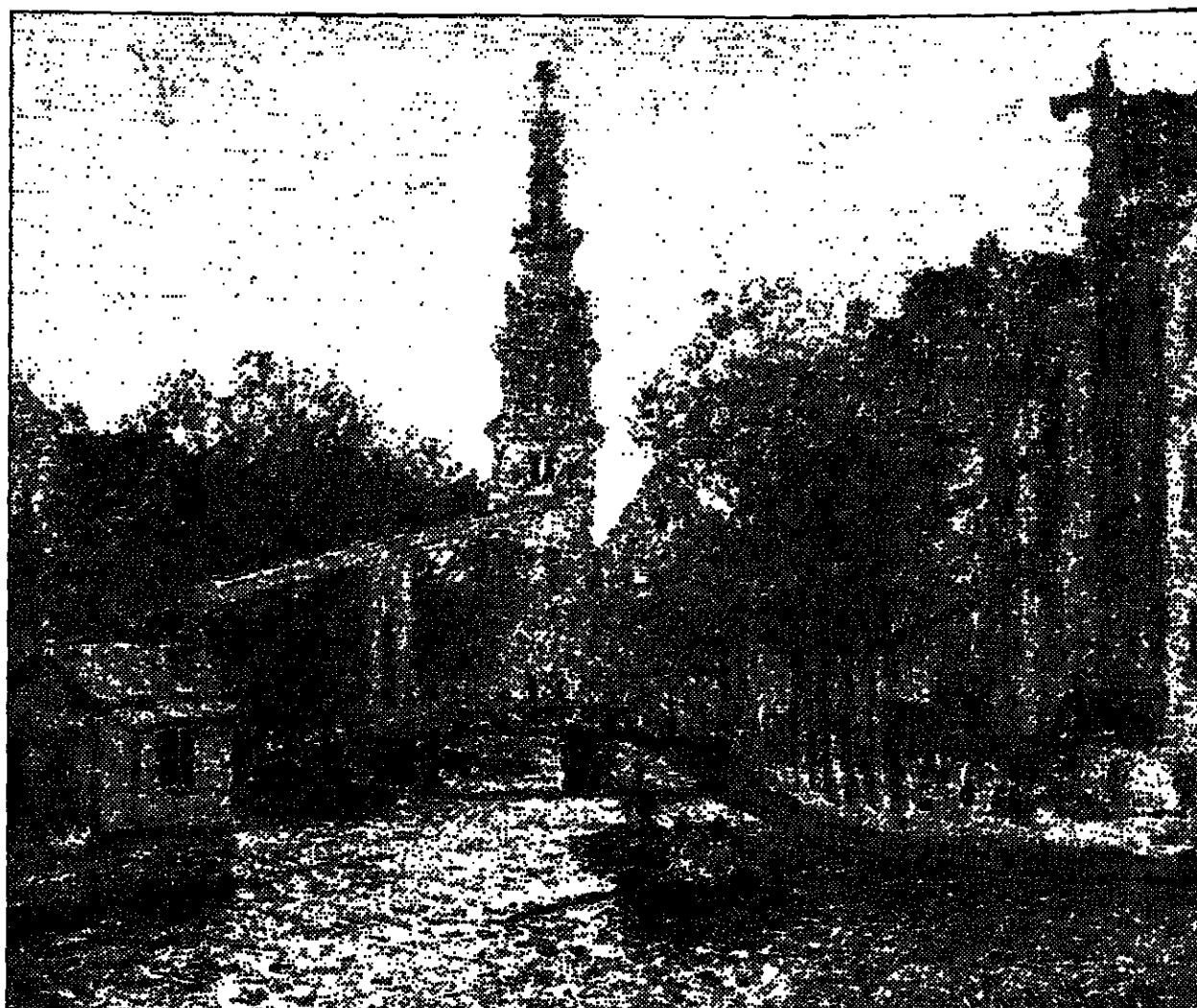
Those looking for Monet this week were prepared to make additions with specific nuances to an already extant hard core, hardly to acquire standard paintings of medium to low quality. Sotheby's did well with a striking view of the jetty in Le Havre's harbor. Done around 1867, it illustrates a rare early phase of the artist's oeuvre when he was under the spell of his master, Eugene Boudin. The palette is darker than his later Impressionist color scheme, the brushwork vigorous, the composition highly structured. It made £771,500, a high price for a pre-Impressionist Monet.

Christie's was luckier still with its cover picture, "Champ d'Avoine." Bright vermilion poppies are strewn across the oat field under a sky filled with the delicate salmon-pink light of an early summer morning. Painted in 1890, when Monet tried to revert to his first Impressionist style, this is a late rewrite of the quintessential Monet of the 1870s that every collector would like to own, hence the price, £2.12 million, which exceeded the highest expectations pinned on the picture.

MINUTES later, came the turn of an exquisite view of a canal in Amsterdam with the spire of the Zuiderkerk at the far end. This kind of urban landscape is rare within Monet's oeuvre and its deeply poetic atmosphere equally unusual. Dating from 1874, the year of the first Impressionist exhibition, the view comes as close as Monet ever gets to a Romantic landscape. Immensely attractive, it gracefully ascended to £683,000.

There was not much otherwise that could be claimed to project the quintessential image of any of the great Impressionists' oeuvre.

The only work that could be argued to come anywhere near this definition was a charming but small (27.5 by 38 centimeters), monotype by Degas heightened with pastel. The subject, a woman in her bath bending to clutch a towel as she is about to step out, is a favorite with Degas admirers. Although a heightened monotype (i.e., a print of which only one impression is made) is not



A rare urban landscape by Monet, "Canal a Amsterdam," with the spire of the Zuiderkerk at the far end.

rated as highly as a pastel drawing, this one climbed to a generous £1.04 million.

By and large, the sales were cluttered with the leftovers of Impressionism accumulated during the decades of abundance.

In Sotheby's Monday sale an insipid landscape by Pissarro offered a typical example. Probably unfinished—the stamped initials prove that it was found in the artist's studio after his death—it was bought at Sotheby's in April 1969 for £200,000. This week, "Paysage au Valhermeil" was estimated to be worth £180,000 to £250,000—considerably less in real money. Even so this was too much. It came unstuck as the auctioneer called out "£120,000" and brought down his hammer. Another Pissarro with stamped initials, "Femme a Bazincourt," likewise failed at £220,000. Renoir's "Le Poirier," a better picture of a pear tree in a wild patch of grass, interested no one. It was bought in at £120,000. And the list goes on.

When Christie's took over on Tuesday night, the havoc continued in the lower strata. Monet's "Chemin dans les Vignes, Argenteuil," painted in 1872, was neither good nor bad, just dreary. Not one bid came from the room as it crashed at £550,000, followed in a row by Sisley's "Le Barage de Saint-Mammes" and Renoir's portrait of a girl.

If there were brilliant scores this week, all were achieved outside the Impressionist area. The most striking concerns John Lavery, the Irish artist from Belfast, a contemporary of the Impressionists who

Painted in a highly idiosyncratic style. At Christie's "The Bridge at Grez," one of his finest works, done in France in 1883, doubled its previous record set last year, as it went up to £1.32 million.

Seen from the perspective of modern art, the gem of the week was Andre Derain's Fauve view of trees at l'Estaque, painted in 1906 with a freedom that betrays the impact of Abstractionism on the French artist. Sold at Sotheby's for £661,500, it was a brilliant acquisition.

This is the more astonishing as the new focus is increas-

ingly on the 20th century. It was more evident than ever this week as it helped send the banal Paul Delvaux to a new record level at Christie's—on Thursday night "La Ville Inquiete" of 1941 sold for £2.97 million, nearly triple the previous record. That this should happen at the very moment when a diluted brand of Surrealism invades commercial advertising in Europe is no coincidence.

A new society with a new aesthetic perception is taking shape. Those who gazed at Impressionism in the 1960s and 1970s would not recognize it.

Russia Pays Tribute To Solzhenitsyn at 80

MOSCOW—Russians paid tribute on Friday to their greatest living writer, Alexander Solzhenitsyn, on his 80th birthday and said he helped hasten the demise of the Soviet regime he devoted his life to fighting.

President Boris Yeltsin and the State Duma, the lower house of Parliament, sent congratulations to the Nobel Prize winner, whose frank exposure of Communist repression and Gulag life forced him into a 20-year foreign exile that ended in 1994.

The Kremlin announced that Yeltsin had awarded Solzhenitsyn the Order of the Apostle St. Andrew for "outstanding services to the Fatherland and for his great contribution to world literature." Both liberal and Communist newspapers heaped praise on Solzhenitsyn, who is as critical of the new capitalist Russia as of the old totalitarian system it replaced.

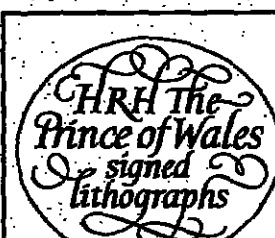
"He is the only writer in Russia to whom the epithet 'great' can be attached with-

out any hesitation," said the liberal business daily Kommersant, adding that through his works he helped hasten the demise of the Soviet Union he hated.

"Of course the rotten Soviet system would have fallen sooner or later, but it was Solzhenitsyn who drove the stake through its heart," the paper said.

From the other end of the spectrum the pro-Communist daily Sovetskaya Rossiya welcomed Solzhenitsyn's diatribes against post-Soviet liberal reforms and his defense of millions of ethnic Russians left stranded in "foreign" countries after the collapse of the Soviet Union.

Sovetskaya newspaper, which like most dailies carried a front-page photograph of Solzhenitsyn, said he was the last in a long line of Russian "teacher-prophets" stretching back to Leo Tolstoy in the 19th century. "You have to throw your head right back to get a proper look at Solzhenitsyn—before us stands a giant," it enthused.



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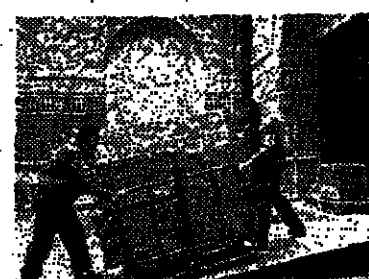
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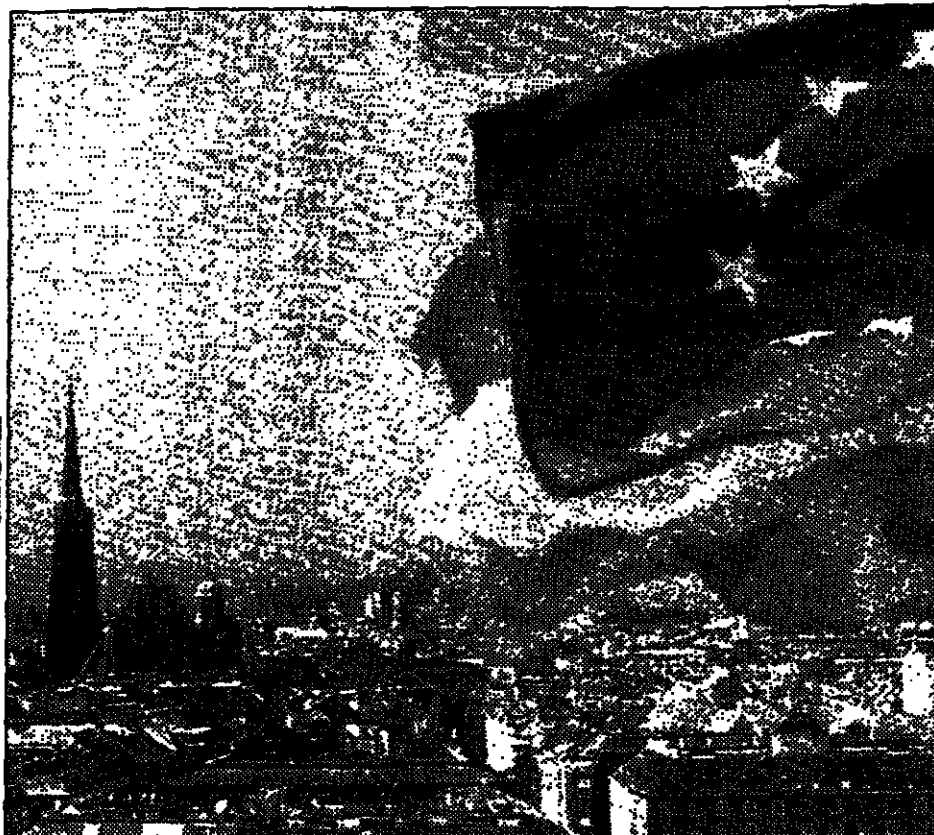
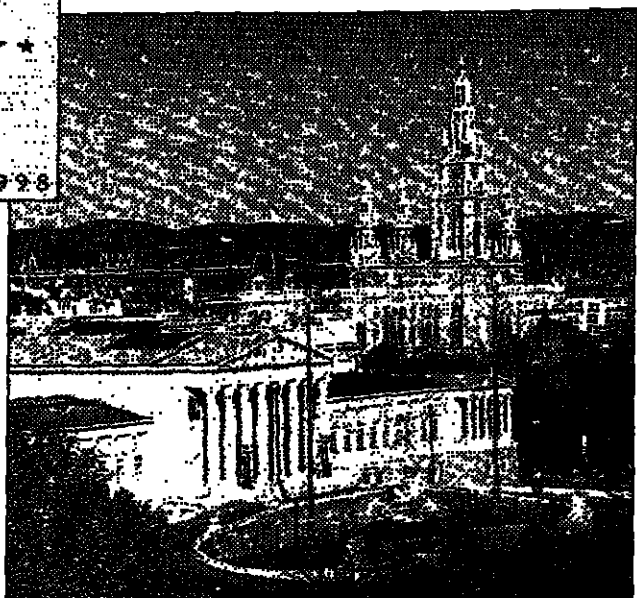
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EU SUMMIT IN VIENNA



AUSTRIA 1998

As its six-month European Union presidency comes to an end, Austria has much to be satisfied with. The current summit in Vienna will underline EU progress on several different fronts.



TOWARD A GREATER UNION

The EU's political clout has recently moved into sharper focus.

As Austria nears the end of its term as president of the European Union, it is taking stock of its performance in managing the day-to-day affairs of this sprawling community of 373 million. Whereas the 12 "old" EU members tend more to regard the six-month rotating presidency as a routine matter, Austria, as the first of the three newcomers, set out on July 1, 1998 to make its mark as an innovator that would really get things moving.

"The foremost task of the presidency is, as an honest broker, to attain compromises for the benefit of the whole union," said the Austrian foreign minister, Wolfgang Schüssel, on taking up his duties as president of the EU council. His activities since then, both inside and outside Europe, have

Tirol, environment to Styria, health to Burgenland, foreign affairs (the Gymnich meeting) to Salzburg, arts and agriculture to Upper Austria, transport to Vorarlberg, industry to Carinthia and education to Lower Austria.

Vienna, for purely organizational reasons, was the site of the large-scale meetings, including finance (the "Ecofin" meeting) and justice, as well as the conference of EU and Southern African Development Community foreign ministers. All this was in addition to the chairmanship of well over 2,000 EU working-group meetings in Brussels, Luxembourg and elsewhere.

A highlight was the informal summit of EU heads of state or government held in late October in the Carinthian lakeside resort of Pörschach. For several reasons, this was seen as a turning point in the Austrian presidency—possibly even in the history of EU development. It gave the first chance for the new German Chancellor Gerhard Schröder and the new Italian Prime Minister Massimo D'Alema to make their presence felt in the predominantly left and center-left circle of European administrations. (The departing German chancellor, Helmut Kohl, was accorded Honorary Citizenship of Europe as a way of showing appreciation for his efforts on behalf of European unity.)

Pörschach was also memorable for the appearance of Yasser Arafat. The Palestinian leader, on his way back from the Wye Plantation conference in the United States following agreement on the peace process with Israel, expressed thanks for the massive moral and financial support given by the European Union.

A political voice

It was partly this interlude that prompted Mr. Schüssel to draw attention to a fundamental problem facing the EU as it is now constituted. With crises breaking out during the past few months in Albania, Kosovo and Russia (not to mention Indonesia and Japan), the president of the European Council expressed the widely held opinion that while "the EU is a heavyweight in economic terms, it is only a lightweight politically." He added: "Europe should move from being a global payer to becoming a global player."

The solution he proposes is twofold. First, the so-called General Affairs Council, which meets every week to discuss EU issues, should be given greater discretionary powers to perform its tasks fully and effectively within a union that is becoming increasingly complex. Second, the long-mooted appointment of a Mr. or Ms. Common Foreign and Security Policy should be transformed into reality so that Europe can make itself heard abroad with a convincing, coherent voice.

Speaking in Pörschach, Mr. Schüssel said the key element of any comprehensive EU strategy must be the primacy of politics over economics.

In this he was seconded by Mr. Klima, who openly called for greater accountability and transparency—while fully respecting its independence—from the European Central Bank.

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SOLID PROPOSALS
TO HELP LOWER
UNEMPLOYMENT

Austria is putting forth to the EU some of the suggestions it has found effective at home.

If there is one field in which Austria can rightly claim to have made an impact on European Union policy during its three years as a member, it is in employment.

With the EU as a whole showing the alarming figure of 16 million to 17 million jobless, Austria (with 4.4 percent unemployed) is one of the countries in Europe with the lowest jobless rates, compared with 9.9 percent for the EU, according to the OECD. This has been regarded as a matter of prime sociological importance by successive governments in Vienna.

The present federal chancellor, Viktor Klima, announced early on in the EU presidency that he aimed to get acceptance at the end-of-term European Council of an action plan to improve the employment situation continent-wide.

The task was entrusted to the Austrian minister of labor, health and social affairs, Eleonora Hostasch, whose earlier career included leading positions in the trade union movement and in the chamber of labor.

Explaining the thinking behind the draft discussed last week in Brussels at a "Jumbo Council" meeting including EU finance ministers, Ms. Hostasch pointed out that employment was a subject that had to be viewed in a macroeconomic context comprising domestic policies, the workforce, monetary supply and wage structures.

For this reason, Ms. Hostasch would like to build up a permanent dialogue among the European Council, the European Parliament, the social partners (industry and labor), the European Commission and the European Central Bank. This is a reasonable demand on the face of it. The last-named body, however, has so far responded only with silence.

The ECB's terms of reference, as formulated in the Maastricht treaty, speak of responsibility for maintaining price stability and guarantee long-term discretion for the bank with respect to its decisions.

Mr. Klima, speaking at the

civil right, in her view. The plan also suggests that, in keeping with experience gained in Austria, at least 20 percent of the jobless should be offered training schemes, aimed particularly at cutting youth unemployment and seeing that elderly workers are not left jobless.

Other points were that tax systems must be modified to reduce the costs (including the hidden costs) of labor and that increasing attention should be paid to creating jobs in new technology sectors, coupling this with the encouragement of lifelong learning.

Ms. Hostasch concluded: "I would like to see the Vienna EU Summit in mid-December settle on the basis for further development in this respect of a completely new quality of European employment policy."

Mr. Klima, speaking at the

SOME NEW EU READING

Three English-language publications have appeared during the second half of 1998 that together provide a well-rounded picture of Austria and the part it has played in the presidency of the European Union.

"Austria and the European Union" is the title of the special 25th anniversary issue of the quarterly journal Europäische Rundschau. In it, a distinguished cross-section of economists and politicians provide a sober, realistic and differentiated picture of Austria in the current decisive year of European integration.

While stating that it is difficult today, at the end of the century, to give an accurate and clear assessment of the strength of the Austrian economy, Helmut Kramer, director of the Austrian Institute for Economic Research, says there has been so much dynamism and change in the late 1990s and '90s that it is hard to keep track of: "The country's presence on virtually all international markets is weak, with the exception of those in the immediate geographical neighborhood.... But even here the conceivable potential has not been exhausted."

"Austria and the European Union Presidency" (KERC) fills out the picture with a political perspective. Summarizing the contents of an international conference held in June 1988 at Chatham House, the Austrian ambassador in London, Eva Nowotny, gives a refreshingly clear outline of the main issues confronting her country during the presidency: "It is clear that with the packed schedule of EU business, much of it inherited from earlier presidencies, there has been little scope for Austria to initiate new policy lines of its own."

She emphasizes, however, the importance attached by Austria to building bridges within the EU and to Central and Eastern Europe, although this is a delicate balancing act.

"Austria, Europe, Time and the World" (Residenz Verlag) adds a critical, intellectual insight into the current situation from more than 20 contemporary writers in Austria. With wit and irony, they fill in the gaps in the formal framework of treaties and protocol that has built up with ally around Austria's EU presidency.



Klima, Arafat and Schüssel (left to right) at the Pörschach meeting.

borne witness to this intention, even if EU reality has not always brought the desired immediate response.

"We want to get Europe into fighting shape," said the Austrian federal chancellor, Viktor Klima, before battling his way—twice—through European capitals to rally heads of state and government behind new plans for tackling the serious problem of Continent-wide unemployment.

Words and deeds

These were the banners nailed to the flagpole of the EU presidency during the last six months of 1998. The nuts and bolts EU procedures, although for the most part unspectacular, were vast in scale. More than 40 ministerial conferences were held, mostly in Austria. Each of the nine federal provinces was in its turn able to play host to at least one major event. Employment and social affairs went to

ON UNEMPLOYMENT

VIKTOR KLIMA,
AUSTRIAN FEDERAL CHANCELLOR

"We want to get Europe
into fighting shape."

A LOOK AT THE STATE OF THE EU AGENDA

Significant progress has been made on the issues of enlargement and formulation of policy.

As the climax of every EU presidency, the European Council is expected to summarize the achievements of six months' hard work over a whole range of EU activities. In the nature of things, however, this twice-yearly summit—the last one was in Cardiff in June—tends to be a report on a "work in progress."

At the current summit, Austria as the host country and Vienna in particular are being given an opportunity to highlight their contributions to EU development.

Alongside the heads of state and government from the 15 member countries, who are addressing the formal agenda, the current president of the European Commission, Jacques Santer, and the president of the European Parliament, José María Gil-Robles, have been invited to raise issues of concern.

Bracing the foundation Even if no major breakthrough can be expected on this occasion, several matters of general interest will be handled and possibly brought a stage nearer completion.

First and foremost in the eyes of commission officials is the Agenda 2000 complex, on which the medium-term future of the EU's structure and financing depends. A final decision can

be ruled out, but it is hoped that discussions will be sufficiently advanced for an agreement on Agenda 2000 to be reached by the deadline set during the next presidency—Germany's—in March 1999.

The overriding issue at the moment is that of EU enlargement. Virtually all the current members agree that this is desirable, even essential, but there is disagreement on when and how the expansion can be realized. Preliminary talks with the first six candidate countries started a month ago, and it is thought that signals may be hoisted now for two or three others to sign up as applicants.

Closely linked with this issue is the question of financing the Common Agricultural Policy, whose structural ramifications would be totally altered if the farmers of Eastern Europe were to be included as beneficiaries on the same terms as their present Western counterparts.

Possible, but generally considered unlikely, is the nomination by the European Council (largely at Austrian urging) of a person who would be entrusted with speaking for the EU on its Common Foreign and Security Policy. Several names have been put forward, but the choice is a difficult one in view of the underlying tension felt between

leading EU members on foreign affairs and security issues.

Of more immediate concern, since monetary union will soon become reality, is the need to decide on EU representation in dealings with the International Monetary Fund, the World Bank and the Group of Seven. On this matter, a formal if somewhat complicated solution—involving a triumvirate of representatives—was reached last week, but may well have to be adjusted before the Vienna Council approves it.

The Austrian presidency will, whatever happens, be remembered for its completion of the final stages leading up to introduction of the single currency.

Commenting on the occasion of the minting of the first Austrian euro coin, Rudolf Edlinger, the minister of finance, said: "If the present wise [monetary] policy is pursued, then Europe will become a bulwark of stability and employment. However, the euro is a currency unit, not a miracle drug—the road, not the destination."

Whatever happens, Dec. 31, 1998 will be of historic importance because the exchange rate for the euro will then be fixed for the formal launching of the currency, first as an accounting unit, on New Year's Day 1999.

Vienna, with its majestic architecture and easygoing ambience, has been the site of several large-scale EU meetings this year.

ON EU ROLES

WOLFGANG SCHÜSSEL,
AUSTRIAN FOREIGN
MINISTER

"The foremost task of
the EU presidency is,
as an honest broker, to
attain compromises
for the benefit of the
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"Europe should
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EU SUMMIT IN VIENNA

VIENNA ROLLS OUT THE RED CARPET (AND SNOWPLOWS)

Austria's capital has prepared for every kind of eventuality during the EU summit.

Not since the Congress of Vienna in 1814-15 has this city on the Danube seen anything comparable. Unlike its historical antecedent, however, the current European Council meeting — the culmination of the six-month Austrian presidency of the European Union — has no time for dancing or courtly affairs. At this week's summit, heads of state or government and finance ministers from the 15 EU

lematical from the security point of view.

The police are taking no chances. To ensure swift traffic access for the official convoys of limousines with their flashing blue-light escorts, the whole Hofburg Congress complex area, and the adjoining Heldenplatz (Heroes Square), with its museums on the Ringstrasse, have been closed to pedestrians and all normal traffic.

Car parking will be prohibited, even for taxis and bicycles. One bus line has been canceled entirely for the duration. Some 50 shops in the immediate off-limits zone are temporarily inaccessible to customers.

Although special federal security units (such as the sewer brigade and helicopter patrols) have been put on alert, there remains one threatening, incalculable factor.

Should the heavens decide to dump half a meter or more of snow on the city, the municipality's road-clearance department will be on call to show it can cope with the problem instantly.

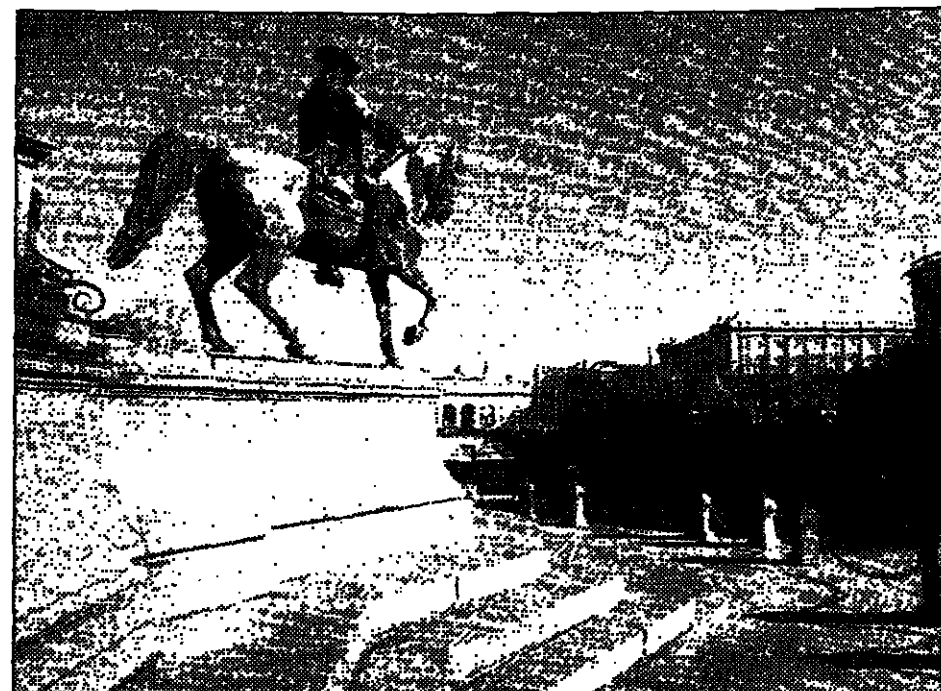
As for the hordes of translators, interpreters, technicians and media representatives, they will need photo-identification passes to enter the conference area. Once there, however, working conditions are truly of Hofburg (literally "court-castle") standard, especially for the thousands of more print and photo journalists expected, who have every conceivable modern facility at their disposal.

Television and radio teams also have their own on-site studios.

As far as is humanly possible, the smooth running of the event has been assured through close cooperation between the Austrian federal authorities, representing the presidency, and City Hall, with each side eager to put its best foot forward.

There have been several smaller-scale dress rehearsals this year for the current big occasion. In September, EU finance ministers held their regular meeting in Vienna, and the EU heads of state gathered during October in Pörschach, Carinthia, for an informal lakeside summit.

This more formal occasion, set in the heart of a major city at the height of its holiday shopping season, is regarded as much more problematic.



Austria's imperial past has helped prepare it in many ways for a shared European present and future.

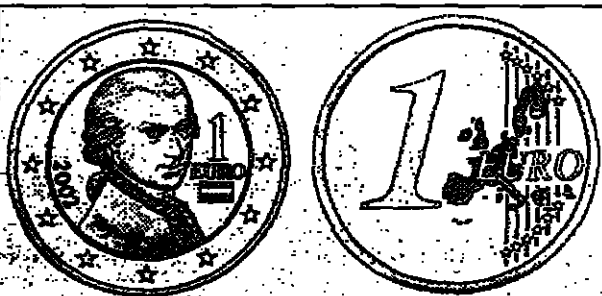
THE VIEW FROM CITY HALL: ISSUES OF EU ENLARGEMENT

Cooperation is key in taking on new EU members, says Vienna's mayor.

ON THE EURO

RUDOLF ERLINGER,
AUSTRIAN FINANCE
MINISTER

"The euro is a currency unit, not a miracle drug — the road, not the destination."



Michael Häupl, mayor and provincial governor of Vienna, says: "Only political and economic integration of the countries of Central and Eastern Europe into the structures of the European Union can create a climate of stability and social justice in Europe."

Obstacles to the realization of this goal are formidable but manageable, he says. Enlargement, in his view, will require a new type of Marshall Plan.

Austria was, of course, one of the grateful beneficiaries of the postwar European Recovery Program, named after its initiator, U.S. Secretary of State George C. Marshall, half a century ago. Says Mr. Häupl: "There is no economic stability without political stability, and vice versa."

The costs of achieving economic stability in the EU applicant countries are sufficiently daunting to suggest that only help from outside can enable the process to be completed within a reasonable time frame.

The idea is to give the emerging democracies of Central and Eastern Europe the chance — just as Austria had in 1948 — to establish themselves on a sound economic footing so that in due course, preferably in the not-too-distant future, they can become full and equal partners in Euroland.

Pressing concern

For Vienna's leading municipal politician, this concern for Central and Eastern Europe is not merely a sentimental attachment, but a historical necessity.

Nine years after the collapse of the old system, even the most prosperous former Communist countries are still struggling to get their houses in order. Tentative political calm has been, or is being, reestablished, but economic assurance is still only a distant vision.

Vienna — long a peripheral West European city, now once again a pivotal Central European one — is particularly well-situated for comparison. Three of the current six first-round EU applicant countries (the Czech Republic, Hungary and Slovenia) are immediate neighbors of Austria. A fourth, Slovakia, hopes to make it to the second round. In none of them is the standard of living (in terms of wages and purchasing power) better than one-third of Austria's.

The obvious corollary is that if any or all of them were given early EU membership (and its associated freedom of movement), there would be a massive flow of labor to the "West," particularly Austria, endangering its employment situation.

Not so, say researchers. There may be an influx of daily commuters for the building trade and similar occupations, but the evidence shows there is little liking among the skilled workforce for job mobility.

Mr. Häupl is convinced, on the other hand, that political and economic integration is vital for the continuation of

democratic development in order to prevent the emergence of a two-class society or, as it has come to be known, a "two-speed Europe."

Positive factors

Apart from the possible risks involved in EU enlargement for both labor and business, there are significant opportunities. Mr. Häupl says: "In the near and mid-term future [the CEE countries] will have a huge need to catch up — in infrastructure, production capital, consumption levels — and they therefore have an enormous growth potential... The present EU is sure to benefit from that growth."

He adds: "Some 5 million Austrians — or more than 60 percent of the total Austrian population — live less than 100 kilometers from the CEE borders; two-thirds of Austria's economic activities take place in areas close to these frontiers... The key message is: We will do well only if our neighbors do well."

An immediate concern that cannot wait for a possible decision on enlargement is the need to improve environmental standards in the candidate countries.

Vienna has developed models for cooperation and is encouraging the pursuit of this path at the European level. Concrete evidence of this potential is provided by plans already being implemented between Vienna and Prague, Vienna and Budapest, Vienna and Ljubljana, and Vienna and Warsaw.

In each case, environmental technology, know-how and pollution-control methods have been made available by Vienna for integrated waste management, waste disposal,

ON EU ENLARGEMENT

MICHAEL HÄUPL,
MAYOR AND PROVINCIAL GOVERNOR OF VIENNA

"Only political and economic integration of the countries of Central and Eastern Europe into the structures of the European Union can create a climate of stability and social justice in Europe."

"There is no economic stability without political stability, and vice versa."



THE CITY PAST AND PRESENT

Several recently published English-language publications disclose unexpected facets of Vienna, in both its past and present guises.

"24 Hours in Europe" (Falter Verlag) takes as its starting point: "Next to globalization, Europeanization is the order of the day."

Produced in conjunction with the Austrian EU presidency, it provides a topical presentation of each of the 15 European Union capitals, with one full day (and night) seen and analyzed entertainingly by a local journalist.

Alphabetically last on the list, Vienna, with its slowness to accept change, emerges as a charming curiosity compared with what the editor calls "the quick-change artists of Eastern Europe" waiting on Austria's doorstep.

This engaging 150-page work concludes, however, with a timely warning that "Western" Europe should not underestimate the ability to overcome crises and cope with chaos demonstrated by EU applicant countries.

"Heritage and Mission — Jewish Vienna" (Vienna Tourist Board) documents in full the lengthy and complicated relationship of the Jewish community to Vienna — the first recorded pogrom took place in the 15th century. Acknowledgment is made of the broad spectrum of cultural and intellectual contributions made by Jews over the ages to the

present-day artistic and creative status. Sigmund Freud and Ludwig Wittgenstein, Lise Meitner and Max Perutz, Gustav Mahler and Arnold Schönberg all had their roots in Vienna. Johann Strauss, the Waltz King, had Jewish ancestors.

Thanks largely to the initiative of former Mayor Helmut Zilk, the Jewish Museum of the City of Vienna was opened in 1993 and has been an outstanding success.

"When Stones Start to Speak" (PID, Vienna) is a profusely illustrated, 50-page booklet featuring the sensational archaeological excavations started in 1995 on Vienna's Judenplatz (Jews' Square), once the location of the city's oldest medieval ghetto.

Well below its present surface level, the remains have been uncovered of a 13th-century synagogue destroyed after persecution of the city's Jews and their mass suicide in 1420. The site, named after the famous Talmudic scholar Rabbi Gershom, is now undergoing restoration. It will soon be dedicated as a subterranean showroom and memorial.

The current mayor, Michael Häupl, has said that he wants the stone symbols on Judenplatz to now start to speak for themselves.



The Hofburg Palace, where the European Council will meet.

A GROWING CENTER FOR THE PROTECTION OF HUMAN RIGHTS

Several international organizations based on the protection of human rights have set up central offices or branches in Vienna.

Austria sees the 50th anniversary of the Universal Declaration of Human Rights coinciding with its EU presidency as a unique opportunity to evaluate the implementation of human rights standards at the international and national levels.

No less a person than United Nations Secretary-General Kofi Annan has backed up this aim in a statement this year, calling for global partnership.

"Human rights are foreign to no culture and native to all nations," he said. "They are universal. One cannot pick and choose among human rights. Whether civil, cultural, economic, political or social, human rights are indivisible and interdependent. And as this century's bloody history has taught us, the absence of human rights is more than a denial of human dignity; it is also at the root of the poverty and political violence that plague our world."

Addressing an audience via satellite at the Vienna International Center, Mr. Annan added: "We draw hope from the fruitful cooperation between the United Nations and the nonstate actors which, taken together, form the embryo of a global civil society."

NGO cluster

Many of these nongovernmental organizations concerned with human rights have, over the years, established bases in the Austrian capital.

The International Helsinki Federation, for instance, promotes the principles of the 1975 Helsinki Final Act and of the successor documents published by the Organization for Cooperation and Security in Europe, which has its op-

erational headquarters in Vienna. The Austrian Helsinki Committee has just published a study called "Searching for a Safe Harbor," which looks into the legal status and living conditions of foreigners in Austria as a result of the new asylum law that came into force earlier this year and of the situation resulting from implementation of the open-border Schengen Agreement.

Particular praise is reserved for UBAS, the independent federal asylum senate, an appeal body for refugees who say their cases are not being given due consideration.

Amnesty International, by far the largest independent human rights body in the world, casts a critical eye on the way

The European Monitoring

Center is dedicated

to investigating how racism,

xenophobia and

anti-Semitism can be countered

prisoners' rights are observed. Together with Caritas, the Austrian branch of the international Roman Catholic charity organization, AI has recently analyzed the results of the new Austrian Asylum and Foreigners Law with some positive as well as negative findings.

In particular, dissatisfaction has been expressed with the "safe third state" ruling according to all of Austria's neighbors. This means, in effect, that asylum seekers can be handed back automatically to the country from which they

entered Austria regardless of any dangers they might face in, say, Slovakia or Hungary.

For the past 16 years, the Austrian section of the Internationale Gesellschaft für Menschenrechte, originally a German association, has been largely concerned with human rights projects in the former Socialist countries of Eastern Europe, as well as with persecuted human rights activists.

Significantly, this year the EU has established its first permanent and completely new institution in Vienna. The European Monitoring Center is dedicated to investigating how racism, xenophobia and anti-Semitism can be countered.

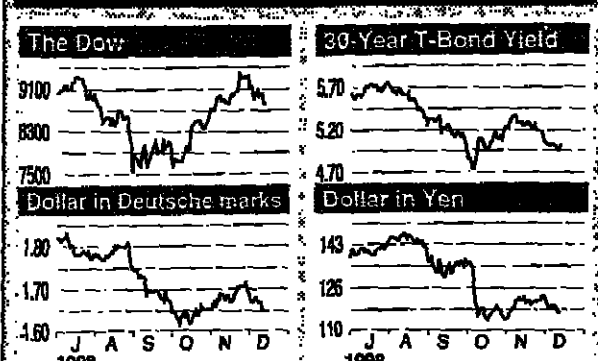
The center's director, Beate Winkler, is determined to build up what she calls a "network of knowledge," to be known as RAXEN, which will be able to play a key role during the next millennium in effectively countering the threat to the democratic system posed by racism and xenophobia.

More specifically devoted to exposing and grappling with anti-Semitism is the Anti-Defamation League, which last year set up its Central European office in Vienna. Its director, Martha Halpert, says her office (with the backing of the parent organization in New York, founded in 1913) "attentively monitors the activities of the new democracies in Central Europe and contributes legal and educational assistance in the hope of facilitating the rights of minorities and of promoting the ideas of civil society."

Furthermore, she says, "The small Jewish communities beginning to re-emerge in Central Europe now have somewhere to turn to in emergencies."

THE AMERICAS

Investor's America



Exchange	Index	Point	Change
U.S.	The Dow	8227.24	+84.22
U.S.	S&P 500	1128.44	+10.02
U.S.	S&P 400	594.44	+5.44
U.S.	NASDAQ	2054.22	+10.22
U.S.	NASDAQ Composite	2054.22	+10.22
U.S.	AMEX Composite	552.14	+0.86
Tokyo	NYSE Index	6224.22	+10.22
S. Korea	KOSPI	1424.22	+10.22
Hong Kong	HK 100	1024.22	+10.22
London	FTSE 100	4224.22	+10.22
Frankfurt	DAX	3224.22	+10.22
Paris	CAC 40	2224.22	+10.22
Amsterdam	AEX	1224.22	+10.22
Brussels	Euro Stoxx	1224.22	+10.22
Stockholm	OMX	1224.22	+10.22
Copenhagen	NASDAQ	1224.22	+10.22
Oslo	OSEX	1224.22	+10.22
Stockholm	OMX	1224.22	+10.22
Copenhagen	NASDAQ	1224.22	+10.22
Oslo	OSEX	1224.22	+10.22

Very briefly:

- Boeing Co. will cancel a plan to move production of some 737 jetliners from Seattle to a former McDonnell Douglas Corp. factory in Long Beach, California, dashing hopes the world's biggest aerospace company would add jobs and work at its Southern California operations.
- Seagram Co., a liquor company that diversified into the entertainment business, raised its bond sale by 75 percent to \$3.5 billion after luring buyers with higher yields than similarly rated companies. Seagram, which owns Universal Studios Inc. and PolyGram NV, is paying higher interest rates because of worries it may be a flop in the entertainment business.
- Pesquera Coloso SA slashed about a quarter of its work force and pulled boats out of service to cut costs as a scarcity of fish damages its key fishmeal business. So far this year, Chile's biggest commercial fishery has cut 800 of 3,000 employees, fished boats at port, and idled one plant in northern Chile that grinds anchovies into fishmeal. Costs have been reduced more than 13 percent this year.
- MCI WorldCom Inc. confirmed it would lay off about 2,000 workers as part of its first broad effort to slash billions of dollars in expenses. The cutbacks, which represent about 2.7 percent of the company's work force, will eliminate jobs that were duplicated in the September merger of WorldCom Inc. and MCI Communications Corp., primarily in network operations, information technology and engineering.
- Donaldson Lufkin & Jenrette promoted David Moore to be managing director of U.S. equities and named James Ancy to a new position as managing director of U.S. institutional equity sales.
- Kitty Hawk Inc. will ground two airplanes as it considers ending all passenger flights to concentrate on its main business as the world's largest operator of air-cargo planes under contract to other companies.
- The Chicago Mercantile Exchange will add Japanese government bond futures and options trading on Jan. 21, helping U.S. companies with Japanese investments to offset possible swings in Japanese interest rates. AP, Bloomberg, Reuters

Dollar Hurt As U.S. Wholesale Prices Fall, Retail Sales Rise

By Threat of Impeachment

NEW YORK — The dollar fell against other major currencies Friday on concern that impeachment proceedings against President Bill Clinton will sour foreign investors on U.S. financial assets.

The House Judiciary Committee on Friday moved closer to what is seen as an all-but-certain approval of articles of impeachment against Mr. Clinton.

Dealers said the impeachment process is turning foreign investors

FOREIGN EXCHANGE

sour on dollars and dollar-denominated assets, weakening demand for the currency at a time when many overseas investors are also leery about the U.S. stock market.

Prices of stocks and Treasury bonds fell Friday.

"The impeachment process is a huge negative for the dollar, and with Dow plunging on expectations for poor fourth-quarter results, the demand for dollar is dwindling," said Hugh Walsh, senior dealer at Commerzbank in New York.

The dollar was quoted at 4 P.M. at 1.6495 Deutsche marks, down from 1.6514 DM on Thursday, at 5.5275 French francs, down from 5.5405 francs, and at 1.3285 Swiss francs, down from 1.3357 francs. It fell to 116.620 yen from 117.075 yen. The pound rose to \$1.6890 from \$1.6715.

Dealers shrugged off U.S. economic reports showing that U.S. retail sales climbed by a stronger-than-expected 0.6 percent in November, while producer prices fell by 0.2 percent, pulled lower by falling prices for energy, food and computers.

They said that while strong consumer spending continues to shield the U.S. economy from the effects of the global financial crisis, there is widespread sentiment in the market that U.S. growth will slow significantly in 1999.

Traders said moves in exchange rates were exaggerated because investors were unwilling to place large buy or sell orders in currency markets as they wind up their year-end books.

"A lot of the big players have withdrawn," said Christa Stefansson, a trader at Swedbank. "Banks are just executing orders for customers and big investors don't want to ruin" their performance figures for the year.

(Bridge News, Bloomberg)

WASHINGTON — Wholesale prices fell in the United States in November while retail sales rose, government data showed Friday, suggesting that inflation is not a threat and consumer spending is still going strong.

The Labor Department said its producer price index, which measures inflationary pressures before they reach consumers, fell 0.2 percent in November as the price of gasoline, vegetables and fruit all took a nose dive. The core rate of the index, which excludes food and energy costs, rose 0.1 percent in the month.

Sales at U.S. retail stores rose a strong 0.6 percent, to a seasonally adjusted \$229.4 billion, the Commerce Department said in a separate report.

"Economic conditions are the best I've ever seen," said the former Federal Reserve Board governor Lyle Gramley, an economist at the Mortgage Bankers Association of America in Washington. "We're heading out of '98 and into '99 on a very strong growth track with very low inflation."

Through the first 11 months of this year, prices at the wholesale level have been falling at an annual rate of 0.6 percent as global economic turmoil has depressed demand for oil and other commodities.

Inflation has been almost as well-behaved at the consumer level. So far this year, the consumer price index is rising at an annual rate of just 1.6 percent, even better than last year's 11-year low of 1.7 percent.

The November index will be reported Tuesday, and the expectations are for it to show a modest 0.2 percent increase.

"The inflation outlook remains extremely favorable," said Marilyn Schjerve, an economist at Donaldson, Lufkin & Jenrette in New York.

The absence of inflationary pressures has given the Federal Reserve the leeway to cut interest rates three times this fall in an effort to ensure that a big rise in America's trade deficit, which has battered manufacturers and farmers, does not push the country into a recession.

The Fed meets again on Dec. 22 amid expectations that Fed policymakers will leave rates unchanged now that the global financial crisis that leveled several Asian countries and Russia appears to have stabilized for the moment.

The November 0.2 percent drop in the producer price index was the sixth time this year that wholesale prices have actually fallen. It was the first outright decline since a 0.4 percent fall in August. The index had

risen by 0.2 percent in October.

Energy prices dropped 1.2 percent last month, their biggest drop since August, as gasoline prices fell by 6.9 percent and home heating oil costs were down 5.6 percent.

Energy prices have been tumbling as deep recessions in Asia have cut world demand by about 750,000 barrels per day. Crude oil prices are now at a 12-year low of around \$11 per barrel compared with \$23 per barrel a year ago.

U.S. farmers have also been hurt by the loss of overseas export markets and falling world prices. In November, food costs at the wholesale level fell by 0.5 percent, the biggest monthly decline since a 0.8 percent drop in June 1997.

The November decrease reflected a 16.1 percent plunge in vegetable prices as the cost of squash, cabbage, lettuce and green peppers all fell dramatically. Pork and fish prices were also lower.

The retail sales report bodes well for the year-end holiday season, when many retailers earn as much as 25 percent of their annual sales. Sales at stores open at least a year are on track to rise by 4.5 percent to 5 percent this holiday season, according to Bank of Tokyo-Mitsubishi.

"The consumer is fundamentally insatiable," said Rosanne Cahn, chief equity economist at Credit Suisse First Boston Corp. in New York.

The sales gains were broadly based. Purchases of big-ticket durable goods, including autos, appliances and furniture, rose 1.0 percent after rising 1.9 percent in October. Sales of nondurable goods, ranging from groceries to clothing, rose 0.4 percent last month after rising 0.7 percent a month earlier.

Even so, there are signs some consumers are nervous the good times might not last. The University of Michigan's preliminary index of consumer sentiment fell in December to 100.7 from 102.7 in November.

Nervousness also was evident in the stock market, where worries that weak economies outside the United States might hurt earnings depressed prices. (AP, Bloomberg)

Clinton Hearings Cast a Shadow

NEW YORK — Stocks finished mixed Friday, with more corporate profit warnings and worries about impeachment proceedings against President Bill Clinton offset by positive economic reports.

The Dow Jones industrial average finished 19.2 points lower at 8,227.24, but the Standard & Poor's 500 index ended 1.44 points higher at 1,128.44. Lending issues outnumbered gains on a 3-to-2 ratio on the New York Stock Exchange.

The Nasdaq composite index finished 13.35 points higher at 2,054.22. Coca-Cola was one of the biggest losers on the Dow after warning its fourth-quarter earnings would fall short of analysts' expectations. Its shares fell 3 1/2 to 63.

In the past two weeks, industry leaders including Boeing, J.P. Morgan, Union Carbide and Sears, Roebuck have issued profit warnings. All are Dow components.

Indications that the Judiciary Committee of the House of Representatives will vote to approve articles of impeachment against Mr. Clinton also weighed on stocks and Treasury

U.S. STOCKS

bond prices. Foreign investors in particular were concerned that the impeachment process will hinder Mr. Clinton's ability to govern.

The price of the benchmark 30-year Treasury bond ended 1 4/32 point lower at 103 16/32, taking the yield up to 5.02 percent from 4.95 percent Thursday.

On the stock market, American depositary receipts of foreign companies were particularly hard hit. ADRs of Ericsson fell 1 5/16 to 22 13/16 and Telefonica SA's U.S. shares dropped 4 1/4 to 134 1/4.

"You could argue that it's profit warnings that is keeping U.S. stocks under pressure, but I see people fo-

cusing on the impeachment hearings," an ADR analyst said. "It's adding that extra piece of anxiety that is causing people to sell out here."

But data showing strong retail sales and no threat of inflation shored up the market. Consumer spending has been the primary engine driving the strong U.S. economy, and it shows no sign of abating.

Technology stocks continued to outshine the rest of the market. Oracle was the most actively traded stock, rising 2 5/16 to 37 1/4 after reporting strong earnings because of the growing popularity of its electronic commerce software. The company is also benefiting from sales of software aimed at solving the year 2000 bug.

Microsoft rose 2 7/16 to 134 1/4. Sun Microsystems rose 4 3/4 to 77 1/4. In fact, 15 of 24 after the company, which makes medical diagnostics equipment, said its earnings would fall short of expectations. (Reuters, Bloomberg)

Schwab Puts Hot On-Line Trades on Hold

SAN FRANCISCO — Charles Schwab Corp., the biggest on-line brokerage, said Friday it would periodically suspend trading of some stocks and other securities on the Internet because of their volatility.

Schwab notified customers on its Web site Thursday that they could not place trades on-line for Infinity Broadcasting Corp. and three recent or pending initial public offerings of Internet stocks. This was the third time in less than two weeks Schwab has put stocks on a no-trade list, and

about 15 stocks have been on the list for about a day each.

Schwab allowed its customers to resume on-line trading of Infinity and AboveNet Communications Inc. Friday morning, while Internet America Inc. "probably" would resume later in the day, according to a spokesman, Tom Taggart. Infospaces.com Inc. will remain on the list until after it first sells shares, probably next week.

Stocks on the electronic no-trade list may be traded in person at a Schwab branch or over the tele-

phone, Mr. Taggart said.

Criticizing the restrictions, Steve Franco, an electronic commerce analyst at Piper Jaffray Cos., said: "They think they're protecting their customers, but at what point do they become the 'risk gapstop'? They should teach their customers not to place market orders."

Schwab's move comes less than a week after it raised maintenance margins — the amount of cash the customer must provide to back trades using borrowed money — on 22 Internet-related stocks.

The Trib Index

Jan. 1, 1992 = 100	Level	Change	% change	year to date
World Index	194.28	-1.37	-0.70	+12.88
Regional Index				
Asia/Pacific	91.63	-2.31	-2.46	-4.62
Europe	222.82	-2.69	-1.19	+15.43
N. America	274.17	+1.16	+0.42	+26.94
S. America	83.28	-1.57	-1.85	-45.45
Industrial Index				
Capital goods	283.28	+1.80	+0.64	+37.14
Consumer goods	238.36	-1.40	-0.58	+14.13
Energy	197.92	-1.55	-0.78	+1.52
Financial	133.41	-1.98	-1.46	+8.50
Miscellaneous	180.47	-3.01	-1.64	+20.41
Raw Materials	157.61	-2.26	-1.41	-5.76
Services	205.66	-2.16	-1.04	+17.99
Utilities	179.68	-1.28	-0.71	+7.68

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News.

U. S. STOCK MARKET DIARY

Indexes	Most Active	NYSE	Nasdaq
Dow Jones	Indus	Indus	Indus
Standard & Poors	Indus	Indus	Indus
NYSE	Indus	Indus	Indus
Nasdaq	Indus	Indus	Indus

AMEX

The 200 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock

Sales

High

Low

Latest

Change

NYSE

Nasdaq

AMEX

Market Sales

NYSE

Nasdaq

AMEX

Market Sales

NYSE

Nasdaq

AMEX

Market Sales

NYSE

Nasdaq

AMEX

Market Sales

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NYSE

Nasdaq

AMEX

Market Sales

NYSE

Nasdaq

AMEX

Market Sales

INTERNATIONAL FUTURES

Dec. 11, 1998

High Low Latest Chg Opit

Grains

WHEAT (CBOT)

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Dec 00 2050 2050 2050 2050

Dec 01 2050 2050 2050 2050

Dec 02 2050 2050 2050 2050

Dec 03 2050 2050 2050 2050

Dec 04 2050 2050 2050 2050

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INTERNATIONAL FUTURES

Dec. 11, 1998

High Low Latest Chg Opit

Metals

GOLD (COMEX)

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Dec 02 260 260 260 260

Dec 03 260 260 260 260

Dec 04 260 260 260 260

Dec 05 260 260 260 260

Dec 06 260 260 260 260

EUROPE

Cable & Wireless Loses Chief Executive to EDS

Compiled by Our Staff From Dispatches

LONDON — Richard Brown, who carved out a reputation as a visionary and a swift decision-maker as chief executive of Cable & Wireless PLC, has left the No. 2 British phone company to head Electronic Data Systems Corp. Mr. Brown, 51, will take over EDS, a U.S. computer services giant, on Jan. 15, after 29 months at the helm of C&W. The unexpected move left C&W's shares, sending them down 30 pence to 695 (\$11.56) on the London Stock Exchange. EDS shares rose \$1.87 in late trading in New York, to \$42.62.

He was the single architect of the group's transformation from an involved and disparate telecoms holding company into a much more focused and shareholder-friendly group," said Justinian Clifford Bowles, an analyst at Credit Lyonnais Securities. "It is undoubtedly a very big blow for Cable & Wireless."

C&W named its deputy chief executive, Rod Olsen, 53, as acting chief executive on Friday and said it would set up a committee under Chairman Ralph Robins to appoint a replacement as soon as possible. Under Mr. Brown's direction, C&W shook off its reputation as a sleepy leftover from Britain's colonial days and embarked on an ambitious expansion program that included shedding businesses where it did not have a controlling stake and buying MCI Communications Corp.'s Internet business for \$1.75 billion in July.

Brown created a perception at C&W of swift and aggressive deal-making," said Chris Goddard, an analyst at Henderson Crosthwaite International.

Mr. Brown's mandate at EDS will be to foster a similar transformation at EDS as the company tries to restore investor confidence and compete with more nimble rivals like

Computer Sciences Corp. When Mr. Brown came to C&W, he inherited a company still reeling from the acrimonious relationship between its previous chairman and chief executive, both of whom had resigned a year earlier.

Boardroom battles between the two resulted in a series of policy U-turns and failed strategies, including abortive merger talks with British Telecom's PLC.

Mr. Brown masterminded 21 deals at C&W valued at more than \$20 billion, selling off over £1 billion of assets in which the group lacked sufficient managerial influence.

At the same time, he refocused C&W into a communications giant for the next century spanning Europe, the United States and the Caribbean, Australia and Asia. Some deals, such as a complex merger of C&W's British fixed-line operator, Mercury, with three U.S. cable television groups to form cable market leader

Cable & Wireless Communications, had been dismissed as impossible.

Others — such as his sale to China of a 5.5 percent stake in C&W's prized Hong Kong Telecommunications asset, the main engine of group growth, in return for "unique opportunities" on the mainland — are yet to be fully realized.

But amid criticism that details of deals on the Chinese mainland remain nebulous, Mr. Brown urges patience and dismisses suggestions he is leaving a job half done.

Mr. Brown's impressive track record helped convince EDS's search committee that he was the right person to restore investor confidence.

EDS, founded by Texas billionaire Ross Perot and once known for its steady earnings growth, has struggled since being spun off from General Motors Corp. in 1996 as it faced competition from International Business Machines Corp. and others. (Bloomberg, Reuters)

Rate Cuts Approved For Telekom

Reuters

FRANKFURT — The German telecommunications watchdog on Friday approved a plan by Deutsche Telekom AG to cut phone charges by up to 63 percent, as the price war in Germany's newly liberalized telecommunications market escalates.

Shortly after the approval was announced, Otelo, a private sector competitor to the state-controlled Telekom, said it would cut phone charges by up to 61 percent on Feb. 1.

The cuts come amid aggressive competition that has reduced Telekom's share of the lucrative market for long-distance calls to 74 percent since it lost its monopoly at the start of 1998.

The authority said it could find no evident breach of market regulations in Telekom's new fee structure, despite criticism from some consumers that it was offering bigger cuts for customers with digital lines than for those with analogue lines.

"We took our decision with the interests of consumers in mind," said Klaus-Dieter Schürle, president of the Regulatory Authority for Telecommunications and Post.

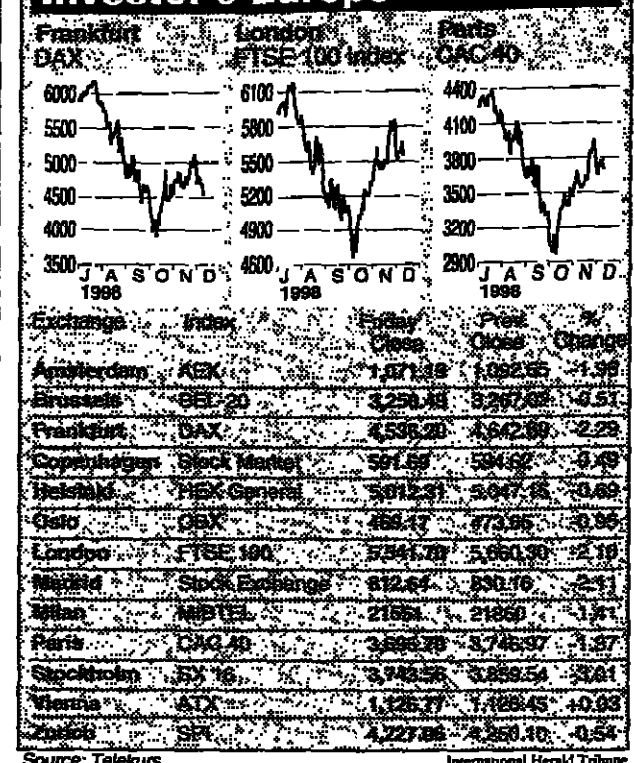
Prices are now coming down faster than most phone companies had expected. The cuts are good news for customers, but the resulting revenue losses will put earnings under pressure.

Ron Sommer, chief executive of Telekom, said last month that the cuts would be "painful" and could be offset only by "dramatic cost savings."

Otelo was the second private phone company to announce rate cuts this week. Mannesmann AG's Arcor unit said Tuesday that it would cut prices by up to 54 percent in January.

Otelo, owned by the utilities RWE and Veolia AG, said long-distance rates would fall to 20 pfennigs per minute from 44 pfennigs, with a special weekend rate of 9.5 pfennigs per minute.

Investor's Europe



Very briefly:

- Rover Group employees agreed overwhelmingly to a cost-cutting plan that includes 2,500 job cuts to save the British automaker, owned by Bayerische Motoren Werke AG. The deal will keep Rover's main factory in Longbridge, England, open and will introduce flexible working hours.
- Hungary's annual inflation rate unexpectedly fell to 11.2 percent in November, the lowest rate since December 1987, from 12.3 percent the previous month. The data prompted the central bank to lower interest rates for the third time in a month to bolster economic growth.
- Aga AB, a Swedish industrial-gas producer, plans to make a provision of 725 million kronor (\$90 million) against 1998 earnings to reduce its work force by 1,700 employees, or 15 percent, intensifying efforts to reduce costs.
- Olivetti SpA of Italy and Mannesmann AG of Germany plan to raise to almost one-half their stake in Omnitel Pronto Italia SpA, Europe's third-largest mobile phone network, which they already control, for \$1.5 billion in cash.
- Aerospatiale, France's biggest defense and aerospace company, said it was among several European companies in talks with the Spanish government to buy a stake in Construcciones Aeronauticas SA as the European defense industry consolidates.
- British Petroleum Co. secured European Union antitrust approval for its planned \$61.2 billion purchase of Amoco Corp. after agreeing to shed an Amoco unit that distributes fuel additives, an EU official said.
- Wolters Kluwer NV, Europe's biggest tax and legal publisher by revenue, plans to split its stock 4-for-1 next year, restating share value in euros to conform with Europe's new single currency. The company's American depositary receipts will also be split 4-for-1.

AFP, Bloomberg

Moscow Region Wants Its Debt Restructured

Bloomberg News

MOSCOW — The Moscow region said Friday that it was seeking to restructure 1.2 billion rubles (\$59.8 million) of bonds after it defaulted on a payment due Thursday because its tax revenue is dwindling as the Russian economy shrinks.

About 90 percent of the bonds sold by the Moscow region, which does not include the city of Moscow, are held by foreign investors and were sold in a private placement managed by Credit Suisse First Boston and Unicombank, said Oleg Dzinis, director of the Moscow region bond department. Credit Suisse First Boston confirmed that it had placed the bonds.

"Tax collection has fallen," Mr. Dzinis said.

The deepening economic crisis has left many regions scrambling for cash. At least half of the regions' tax revenue comes from non-cash payments such as bartered energy, or offsets for debts owed by state-funded organizations.

Swiss Reach Trade Deal With EU

Bloomberg Business News

BERN — Switzerland and the European Union have agreed on a pact that would break down barriers to trade that was valued at 150.7 billion Swiss francs (\$113.3 billion) last year. The accord, which needs approval by the Swiss Parliament and could be challenged in a referendum, would give Swiss companies greater access to the EU and open Swiss roads to heavy truck traffic from the EU, the Swiss government said.

The government said after the vote late Thursday that the accord would "give our relationship with the European Union greater stability" and help "raise the compet-

itiveness of Swiss business."

The two sides have haggled over the agreement since the Swiss in 1992 rejected membership in the European Economic Area, a free-trade bloc linked with the EU. The Swiss this week agreed to lower tariffs on agricultural imports in return for greater access for Swiss airlines to airports in the EU.

Swissair, the airline owned by SAIR Group, has said it has lost about 200 million Swiss francs annually because of its exclusion from the liberalized 15-nation market.

"The EU is Switzerland's biggest trading partner, with imports and exports amounting to 150.7 billion francs last year. The government

said last month that the 15 EU member states bought 63 percent of Swiss exports in the year through October, and that 79 percent of Swiss imports originated in the EU.

"It's easier now to employ Europeans, such as engineers, in Switzerland, and that's positive for our company," said a spokesman for Schindler Holding AG. Under the pact, all EU workers will be able to settle in Switzerland five years after the accord takes effect.

The Swiss also gave in to French objections over the name of a white Swiss wine named after a village called Champagne. The Swiss said they would drop the name after a two-year transitional period.

EU Allows BA Role in Running Eurostar

Reuters

BRUSSELS — The European Commission on Friday allowed British Airways to participate in the running of Eurostar, but issued a stern warning against it taking control of the high-speed Channel Tunnel train service.

The rail service competes with

BA flights on the London-Paris and London-Brussels routes, especially for business passengers, and is due to be run by the Inter-Capital and Regional Rail (ICRR) venture, of which BA is a partner.

The commission, the European Union's competition watchdog, said it had given clearance to the ICRR

venture, whose partners also include British Rail and bus operator National Express Group, and the French and Belgian railroads SNCF and SNCB.

But it said this was only possible since BA's influence in the venture was "significantly limited" compared with other shareholders.

WORLD STOCK MARKETS

Friday, Dec. 11

Daily prices in local currencies.

High Low Close Prev.

Amsterdam

AEX Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Athens

Composite Index: 2,842.72

Prev: 2,842.72

High Low Close Prev.

Bangkok

SET Index: 3,468.54

Prev: 3,468.54

High Low Close Prev.

Buenos Aires

Merval Index: 4,215.15

Prev: 4,215.15

High Low Close Prev.

Cape Town

JSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Cebu

PSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Colombia

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Copenhagen

OMX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Frankfurt

DAX Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Hong Kong

Hang Seng: 11,111.15

Prev: 11,111.15

High Low Close Prev.

Jakarta

JSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

London

FTSE 100: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Lima

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Manila

PSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Mexico

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Milan

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Moscow

MICEX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Jakarta

Composite Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Johannesburg

All Share Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Kuala Lumpur

Composite Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

London

FTSE 100: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Manila

PSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Mexico

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Milan

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Moscow

MICEX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

New York

DAX Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Paris

CAC 40: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Rangoon

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Sao Paulo

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Seoul

KOSPI Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Singapore

SSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Stockholm

OMX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Taipei

TSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Tel Aviv

TAEX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Tokyo

Nikkei 225: 1,111.15

Prev: 1,111.15

High Low Close Prev.

London

Composite Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

New York

DAX Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Paris

CAC 40: 3,712.15

Prev: 3,712.15

High Low Close Prev.

Rangoon

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Sao Paulo

BVL Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Seoul

KOSPI Index: 1,111.15

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High Low Close Prev.

Singapore

SSE Index: 1,111.15

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High Low Close Prev.

Stockholm

OMX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Taipei

TSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Tel Aviv

TAEX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Tokyo

Nikkei 225: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Toronto

TSX Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Winnipeg

WJSE Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

Zurich

SMI Index: 1,111.15

Prev: 1,111.15

High Low Close Prev.

High Low Close Prev.

London

Composite Index: 3,712.15

Prev: 3,712.15

High Low Close Prev.

New York

DAX Index: 3,712.15

Prev: 3,712.15

The 2,400 most traded stocks of the day.
 Worldwide prices not reflecting late trades elsewhere.
 The Associated Press.

12 Month High Low Stock Div Yld PE ^{Stk} 100s High Low Latest Cng

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BLANCPAIN SA
1094 Paudex, Switzerland
Tel ++41 21 796 36 36
Fax ++41 21 796 36 37

BLANCPAIN SA
1094 Paudex, Switzerland
Tel ++41 21 796 36 36
Fax ++41 21 796 36 37

**LOOKING FOR
TEMPORARY
RESIDENCE
VIENNA?**

Continued on Page 18

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ASIA/PACIFIC

Japan Eyes Takeover of Nippon Credit

By Sheryl WuDunn
New York Times Service

TOKYO — The Japanese government appears to be on the verge of nationalizing a second large bank, Nippon Credit Bank, in a move that might foreshadow a wider cleanup of the banking system and a tougher stance by financial authorities.

Japan's government is under pressure at home and abroad to be more assertive in confronting its economic troubles, and an initiative to take over Nippon Credit, which has about \$100 billion in assets, would presumably be welcomed by the financial community as a sign that the authorities are becoming more decisive in trying to resolve their banking problems.

Nippon Credit would be the second bank to be taken over by the government, after authorities in October nationalized the Long-Term Credit Bank, which is about twice the size of Nippon Credit.

A final decision on the expected Nippon Credit takeover, which was reported Friday in the local media and confirmed by a senior government official who refused to be identified, could come over the weekend.

Nippon Credit has resisted the move, but the government can effectively force it to accept nationalization. After selling off or liquidating its bad loans, which could take a year or two, Nippon Credit could be privatized or its viable operations sold to a healthier bank.

Nippon Credit's financial troubles have been well publicized for more than

a year, and some estimates are that the bad debts are so overwhelmingly large that if accounted for properly, they would put the bank into insolvency, according to Nihon Keizai Shimbun, Japan's leading economic daily.

Just over a year ago, the bank was rescued with an injection of 290 billion yen (\$2.48 billion) from the Bank of Japan and a collection of Japanese financial institutions. Then in March this year, the bank received about \$310 million in taxpayers' funds, on the premise that it was still solvent.

With such large amounts of public money being eaten away, some financial officials may push for stiffer standards at the banks in building a financial cushion to absorb possible loan losses. Many financial experts have argued that the amount of public funds drawn down in March was far too little to alleviate the banks' capital adequacy problems, and this may strengthen the hand of officials who want the banks to raise their intake of public funds under the new \$510 billion bailout scheme set up in October.

Still, Nippon Credit has apparently been hotly contesting the move by financial authorities who want to nationalize it, but it appears as though the bank may lose the battle.

The Financial Supervisory Agency, which inspects the banks, has been insisting that the government should take action based on the agency's findings. In the case of Long-Term Credit, for instance, government officials at first resisted an attempt within the agency to declare that Long-Term Credit was a

failed bank and insolvent, but in the end, the agency officials prevailed.

In its recent audit of Nippon Credit, the agency apparently discovered that the bank does not have a large enough cushion to absorb the possible loan losses on its books and that it has exaggerated the value of real estate taken as collateral for the loans, according to Kyodo News Service. The government official said that the agency's definition of bad loans was much stricter than that of the bank.

In its half-year earnings report for the end of September, Nippon Credit said that bad loans amounted to \$15 billion, but other estimates put the figure at nearly twice that amount, or \$27 billion, according to Japanese press reports.

Nippon Credit, which has pulled out of international business, said it easily met government rules for capital adequacy for domestic banks. It has also said that by March 31, 1999, which is the end of this financial year, it will write off bad loans worth \$6.3 billion, which is about equivalent to the amount of its capital base.

Nippon Credit announced this week that it was entering into a broad-based alliance with Chuo Trust & Banking Co., a deal that originally provoked rumors that the two institutions were considering a merger. But Chuo Trust, which took over some of the branches of the failed Hokkaido Takushoku Bank, which collapsed just over a year ago, denied that it was considering a merger, and so authorities apparently turned to nationalization as an alternative solution.



ECONOMIC UNREST — The police dragging away a member of a trade union group during demonstrations in New Delhi on Friday, as millions throughout India protested government plans to privatize state firms and lay off employees.

Cambodia Not Seen Getting ASEAN Entry

Compiled by Our Staff From Dispatches

HANOI — The Association of South East Asian Nations will not admit Cambodia during a leaders' summit in Vietnam next week because there is no consensus on the issue, a Thai official said Friday.

"The timing is not opportune, and we should not be rushed to meet an artificial deadline because the summit is taking place," said Kobak Chutikul, a Thai Foreign Ministry spokesman.

Cambodia had been scheduled to join the regional organization in 1997, but political turmoil led to its application being put on hold until a stable government was in place. An agreement between two major factions was reached late last month, and the country was given back its seat at the United Nations this week. But some ASEAN members said it was too soon to admit the long-troubled country.

"This summit is about the economic crisis in Asia, not Cambodia," said Domingo Siazon, the Philippine foreign secretary.

Separately, ASEAN finance officials meeting in Hanoi Friday ahead of the summit said they were discussing the prospect of having Japan channel promised aid funds to the countries as a group, instead of doling it out to individual members.

Japan plans to unveil a \$30 billion package of economic aid for its Asian neighbors next week. It is aiming to provide funds for four ASEAN members — Indonesia, Malaysia, the Philippines and Thailand — as well as South Korea, whose president, Kim Dae Jung, will also attend the summit.

"We want to try to avoid the Japanese dealing with us individually," an Indonesian official said. "If we deal with them as a group, we'll have more bargaining power."

In addition to Indonesia, Malaysia, the Philippines and Thailand, ASEAN also includes Burma, Laos, Singapore, Brunei and Vietnam. (AFP, Reuters)

Investor's Asia				
Index	1998	1997	1996	1995
Hong Kong Hang Seng	11000	10000	9000	8000
Singapore Straits Times	1500	1400	1300	1200
Tokyo Nikkei 225	17000	16000	15000	14000
Exchange Index	100	100	100	100
Hang Kong Hang Seng	9,992.80	10,875.94	-3.52	
Singapore Straits Times	1,411.27	1,439.58	-1.99	
Sydney All Ordinaries	2,738.00	2,763.20	-1.20	
Tokyo Nikkei 225	14,405.64	14,007.80	-2.78	
Kuala Lumpur Composite	533.59	525.59	-1.50	
Bangkok SET	361.30	359.84	-0.40	
Beirut Composite Index	555.17	557.81	-0.47	
Taipei Stock Market Index	6,898.34	7,045.57	-2.04	
Manila PSE	7,835.61	7,822.22	-0.17	
Jakarta Composite Index	486.60	403.87	-20.28	
Wellington NZSE-40	1,941.97	1,866.01	-4.03	
Colombo Sensitive Index	3,002.54	2,978.90	-0.77	

Source: Tokai

Very briefly:

• The Japanese Parliament approved a special budget to help pay for a 24 trillion yen (\$205 billion) stimulus package aimed at pulling the economy out of recession. Parliament also shelved a law requiring the government to reduce the budget deficit to no more than 3 percent of the gross domestic product by March 2006.

• Hyundai Motor Co. said it would make bankrupt Kia Motors Corp. profitable within three years with an aggressive export plan. Kia will make 800,000 vehicles next year, including more than 500,000 for export, said Chung Mong Koo, the Hyundai Motor chairman. Hyundai acquired 51 percent of Kia and its Asia Motors Co. affiliate this month.

• Citigroup Inc. is in talks to buy up to 51 percent of a 50-story office tower in central Kuala Lumpur from Malaysia's Amsteel Corp. Amsteel owns 70 percent of Inverfin Sdn., which owns the Menara Lion office tower.

• Australia's media regulator plans to examine the Briertley Investment Ltd.'s sale of its stake in John Fairfax Holdings Ltd., amid concern it could give Kerry Packer, the nation's richest man, control of the newspaper publisher. Australia does not let a single person control a major television station and newspaper in the same city.

• Long-Term Credit Bank of Japan Ltd. may shed about 1,000 workers, or 30 percent of its staff, according to a restructuring proposal. LTCB was declared insolvent and taken over by the government in October.

• M.sui O.S.K. Lines Ltd., the world's biggest shipper by tonnage, plans to set up a Hong Kong-based company to operate its unprofitable scheduled container unit in a move to boost its parent earnings. MOL Japan will be established on April 1, said Hiroshi Asano, a spokesman for Mitsui O.S.K.

• Seagate Technology Inc., the world's largest disk drive maker, said seasonal demand is causing product shortages in almost two-fifths of its product lines. To meet the increase in orders, the Californian company is boosting production in its factories in Asia. (Bloomberg)

Mahathir Seeks Views of Fund Managers

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad met Friday with a group of foreign fund managers — the people he has criticized for helping trigger Southeast Asia's economic turmoil — in a move that analysts said was intended to smooth relations with the international financial community.

An aide to Mr. Mahathir said the prime minister listened to the fund managers' views on Malaysia's currency controls and other issues during the hour-long meeting but made no comment on whether the government was planning to change its controversial policies anytime soon.

"It's an exercise of sending some messages," said Mohamed Ariff, executive director of the Malaysian Institute of Economic Research. "I think it's quite obvious that Malaysia has suffered from bad PR in recent times."

This is in an indication that they want to build bridges, to keep good connections with the fund managers."

The country's national news agency, Bernama, said that Mr. Mahathir told the fund managers that the currency controls would remain in place "for the time being" but that the government was considering measures to "fine-tune them."

What could have been an awkward meeting — fund managers facing the man who has demonized them on several occasions — is said to have gone smoothly. Diplomats and politicians here have long pointed out that Mr. Mahathir's acid-tongued rhetoric usually contrasts sharply to his practical policy decisions.

Mr. Mahathir and his aides have met several times with fund managers since economic turmoil spread throughout the region last year but this is the first such meeting since Malaysia imposed controls on its currency in September. As part of the controls, foreign investors were

banned from withdrawing their money from the stock market for one year.

The rule, which angered many foreign portfolio investors who had money in the market, was central to the hour-long discussions, according to news agencies.

The aide to Mr. Mahathir said the idea of an "exit tax" for foreign stock market investors that would replace the one-year rule came up during the talks, but that Mr. Mahathir made no specific comment on the government's plans.

"The government hasn't decided anything yet," the aide said. "We will look into all the suggestions."

The Malaysian stock market seemed to react favorably to the meeting, with the main index closing up 1.5 percent at 533.88 points.

The gathering was organized by Salomon Smith Barney, the U.S. investment bank that took on the role of official adviser to the Malaysian government this year. A total of 13 fund managers from Hong Kong and Singapore attended.

CHAEBOI: Critical Merger Threatens to Unravel, Seoul Says

Continued from Page 13

industrial giants. Hyundai Electronics, suffering from a debt-to-equity ratio of 8-to-1, has insisted on control of 70 percent of the assets of the new company, rejecting a proposal for 50 percent ownership. LG Semicon, which has a much smaller debt burden, has said it wants to manage the merged company.

The confrontation between Hyundai Electronics and LG Semicon has emerged as a test case of the willingness of the chaebol to bury their differences in mergers and of the ability of the government to force them.

Efforts to bring about another, more complicated deal, the exchange of Daewoo Electronics Co., which produces consumer items such as television sets and refrigerators, for Samsung Motor Co., also encountered major problems Friday. The parents of the two companies, the Samsung and Daewoo groups, rank second and third, respectively, among the chaebol in terms of assets.

About 10,000 workers at the main Daewoo Elec-

tronics plants walked off their jobs to protest the commitment to sell the company to Samsung Electronics Co., one of the most successful companies in South Korea. And 3,000 Daewoo employees demonstrated in front of the central railroad station in Seoul, across a vast square from Daewoo's group headquarters.

Officials at Daewoo did not seem disturbed by the demonstrations, citing the company's profits in recent years and predicting a similar profit for this year despite sagging demand for consumer products.

"They don't want to merge the company," said Lee Jung Seung, a Daewoo spokesman. Still, he said, "The principle is to merge, and we will have to abide by the agreement."

The 6,000 workers of Samsung Motors walked off the job at the company's plant Tuesday, the day after the restructuring agreement between the government and the chaebol was announced.

A spokesman for the company, which has suffered tremendous losses since producing its first cars in March,

said executives were "working on specific plans" for the merger.

Asked whether Samsung would resume making cars, he replied, "At this moment, we don't know."

Mr. Lee of the Financial Supervisory Commission predicted, however, that the economy would recover from turmoil after going through a protracted restructuring.

"Once we succeed in structural reform," he said, "the stock market recovers, they raise money through the stock market."

He acknowledged that 100,000 more workers might lose their jobs, raising unemployment from the current level of about 1.5 million, but he said that many would find new work as the economy improved.

One key, he said, would be foreign investment. Many companies "are desperately trying to sell but haven't had success," he said. "We can expect lots of transactions in the near future."

South Korean politicians indicated Friday, however, that they would oppose efforts at opening up the country's \$12 billion telecommunications market, saying that the heightened competition from abroad would push domestic companies into bankruptcy.

A National Assembly subcommittee voted to recommend that the government delay its plan to allow foreign investors to buy as much as 49 percent of South Korean companies starting Jan. 1.

The foreign investment limit is now 33 percent.

LOOKING FOR A TEMPORARY RESIDENCE IN VIENNA?

SINGERSTRASSE 21/25 provides an ideal solution for the accommodation of business travellers, diplomats, performers and all those who are planning a stop-over or a lengthy stay in the Austrian capital.

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Kansallis House - Place de l'Etoile
B.P. 2174, L-1021 Luxembourg
R.C. Luxembourg B 16926
(Incorporated)

Pursuant to a decision of the Extraordinary General Meeting of Shareholders held on December 2, 1998, the liquidation of Fidelity Far East Fund Sica (the "Company") has been closed.

Liquidation proceeds not collected by the shareholders will be transferred to the Caisse des Commissions to be held for the benefit of the persons entitled thereto.

The records of the Company are deposited at the registered office of the Company for a period of 5 years.

The Liquidator

Fidelity Investments

FIDELITY SPECIAL GROWTH FUND
Société d'investissement à Capital Variable
Kansallis House - Place de l'Etoile
B.P. 2174, L-1021 Luxembourg
R.C. Luxembourg B 20995
(Incorporated)

Pursuant to a decision of the Extraordinary General Meeting of Shareholders held on December 2, 1998, the liquidation of Fidelity Special Growth Fund Sica (the "Company") has been closed.

Liquidation proceeds not collected by the shareholders will be transferred to the Caisse des Commissions to be held for the benefit of the persons entitled thereto.

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The Liquidator

Fidelity Investments

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NASDAQ

Friday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar volume, updated twice a year. The Associated Press.

Symbol	Price	Change	Volume
IBM	125.00	+1.00	1,234,567
Microsoft	100.00	+2.00	987,654
Apple	75.00	+1.50	876,543
Amazon	50.00	+0.50	765,432
Google	30.00	+1.00	654,321
Yahoo	20.00	+0.50	543,210
Oracle	40.00	+1.00	432,109
Sun	35.00	+0.50	321,098
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NYSE

Friday's 4 P.M. Close

(Continued)

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BANK AUSTRIA BUSINESS UPDATE

Bank Austria

DRIVE TO INNOVATE KEEPS THE BANK AHEAD OF THE GAME

Bank Austria is a leader in next-generation services.

Bank Austria is the largest bank in Austria and in its fast-growing "second core" markets in Central and Eastern Europe. This predominance is backed up by a wide range of number-one rankings in many individual sectors. The bank is, for instance, Central Europe's largest supplier of investment and brokerage services.

As the subsidiaries come with a very healthy balance sheet, the bank's size and market shares are gratifying, say Bank Austria officials. But they point out that achieving and maintaining a market-leading size in and of itself has not been and is not a prime objective of the bank.

Rather, the bank's goal has always been to maximize profitability while exercising all due prudence. That has been achieved by keeping ahead of its fast-moving markets and having the next generation of services ready for deployment when customers started asking for them. Ten years ago, this meant having a network of privatization and capital procurement experts in place just before Central and Eastern Europe started moving toward the free market. Five years ago, Central Europeans started investing heavily in shares — often via the mutual funds Bank Austria had already set up.

The future is now

Today, along with the euro, the next great trend about to sweep the Continent is second-generation on-line banking. Bank Austria's customers are already availing themselves of its new look Web site and the advanced services and features it provides.

Internet banking is still in the take-off stage among Europe's "solos" (small office and home users) and the rest of the retailing sector.

"Of our 800,000 retail customers, some 50,000 — half of them solos — now bank on-line, a number that should quintuple over the next five years," says Walter Gruber, Bank Austria's general manager, engineering, multi-channel banking and new media.

"The fact that on-line banking is still in its early stages on the Continent hasn't, however, stopped us from setting up a Web site meeting the needs of second-generation users, the ones using on-line links every day and now starting to expect something more from the

links than simple electronic bank transfers or stock purchases," says Mr. Gruber.

And something more is precisely what they get from Bank Austria's Web site, whose latest version was launched in October and is already receiving 320,000 hits a month.

The Web site is "customer-izable," meaning that customers can individualize their own "virtual bank offices."

The customers determine what information is supplied to them in their virtual office and even what the office looks like. The offices are staffed by "cyber-advisers," who, if the customer wishes, "pushes" suggestions and proposals tailored to his or her needs.

"Virtual bank office" is the apt term for these new-generation links," says Mr. Gruber. This is the product of a joint project with the companies Broad Vision, Blaxxon Interactive, the Munich-Silicon Valley expert on creating virtual communities, and Siemens.

Blaxxon's programs also provide the Web site with another feature new to Europe's banking world: 3-D, on-line, customer-to-customer interactivity.

"Our Web site serves as the venue for real-time meetings between our customers, whose on-line encounters lead to the forging of business ties and the forming of interest groups." This occurs via three on-line COIs (communities of interest), at which participants learn about specially created product innovations.

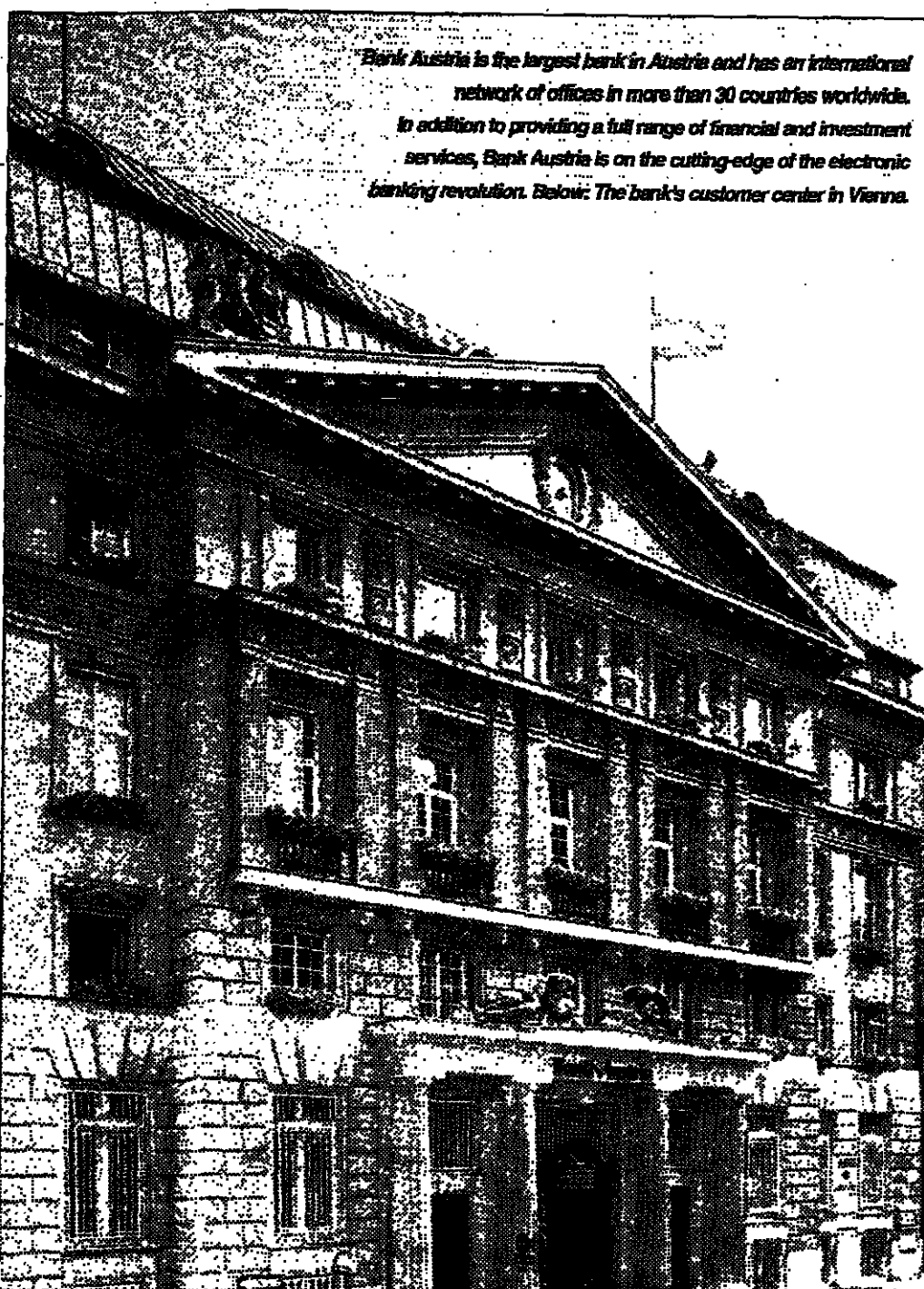
The Web site's features and flashy graphics have already attracted a great deal of professional attention and have earned it high praise.

In a recent survey of European bank Web sites and on-line links, the Lafferty Group singled out Bank Austria's site as the top Austrian banking Web site, praising its customer-friendliness, clarity of structures and other items. Michael Hennigan, chief electronic commerce analyst with Lafferty Web Research, stated that it "has the potential to be a significant European bank site."

The Internet: Its real impact is in the back office
According to the conventional wisdom, the Internet is providing small banks with a competitive advantage. The Web allows them to reach a clientele of the size served by their large-sized counterparts, and to do so without having to maintain the latter's expensive networks of offices.

Mr. Gruber takes exception to this description. "Any bank can provide on-line accounts, but our clients expect more. They expect to be able to hit 'help' buttons — featured throughout our new Web site — and to get immediate, professional counsel on everything from the amount of financing required to start up your own business to the current rates of factoring. And only a bank capable of maintaining a large staff of resident experts can deliver this depth and breadth of on-line services."

He adds: "This provision of on-line counseling highlights another, often disregarded feature of the banking world's move into on-line systems. Everybody is writing about how the Net is changing banking's 'front counters,' but the effects worked by the Web on a bank's in-house procedures haven't really been covered at all." The design of Bank Austria's Web site, which involved a large-scale expenditure, went hand-in-hand with a reworking of the bank's information provision networks, "which involves both the IT and human infrastructure," explains Mr. Gruber.



Bank Austria is the largest bank in Austria and has an international network of offices in more than 30 countries worldwide. In addition to providing a full range of financial and investment services, Bank Austria is on the cutting-edge of the electronic banking revolution. Below: The bank's customer center in Vienna.

INDIVIDUALS GET THEIR FAIR SHARE

Shares drive Capital Invest's success.

Capital Invest (CI) is one of the fastest-growing companies within the Bank Austria group. As of Oct. 30, the 166 mutual funds managed by CI had a total volume of 139.4 billion Austrian schillings (\$11.8 billion), up 21 percent over Jan. 1, 1998.

As CI's share-based mutual funds showed an impressive 53 percent rate of growth during the period, it would be logical to assume that the company's growth is largely the result of the Austrian investing public's strong — if belated — enthusiasm for investing in the stock market.

Helmut Sobotka, chairman of CI's executive board, doesn't like the word belated.

"That public is composed of two parts, the corporate sector and the private investors. And the corporate sector, which accounts for 50 percent of our business, has long been investing avidly in the stock market, often via dedicated funds that we create and manage for them."

"Like private investors in the rest of Europe, Austrian investors are, in fact, rapidly discovering the attractiveness of share ownership. This interest has largely been the product of the new types of funds being offered," Mr. Sobotka adds.

Many of the new funds are pan-European in scope.

"To put it very simply, the new funds and the advent

of the euro have activated private Austrians' interest in investing on a Europe-wide scale via instruments with a Continental spread and/or denominated in euros or other international currencies. This newly awakened interest explains the overwhelming success of our EuropaTop mutual fund," Mr. Sobotka says.

Launched at the end of March 1998, EuropaTop is CI's 50th public mutual fund and, with its pan-European focus, the first of its kind in Europe. It has a weighting corresponding to that of the Stoxx 50, the listing of Europe's 50 major blue chips.

High potential

Mr. Sobotka sees another factor driving CI's rapid rise: the company's "two and one" strategy.

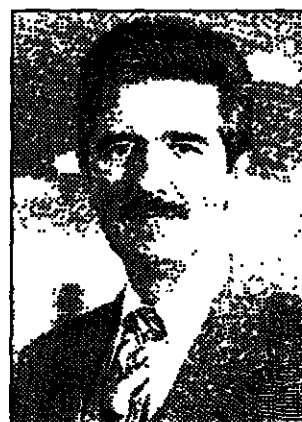
The "two" refers to the fact that Capital Invest was formed through the merger of Bank Austria KAG and ÖIG (Österreichische Investmentgesellschaft) on June 24, 1998, creating one of Austria's three largest funds management corporations in the process.

Owned by Bank Austria and Creditanstalt respectively, the two mutual fund companies had been arch-rivals, competing for market shares via their nationwide networks of offices and representatives and highly individual ranges of products. The networks have been maintained, as have the range of products.

"We believe we'll get more business by keeping our corporate images and pools of customers separate than from combining them," says Mr. Sobotka. "While maintaining the individual identities of Bank Austria KAG and ÖIG to the outside world, we have, of course, been busy realizing a great number of in-house synergies, interlinking our IT, research and other capabilities. This unification is the 'one'."

Mr. Sobotka has big plans for Capital Invest: a tripling of its investment volume within five years. Isn't that a bit ambitious in times of a mixed stock market performance and relatively low rates of income growth (both personal and corporate)?

Mr. Sobotka doesn't see it that way. "Our potential for further institutional investment — I'm thinking of corporate and private pension funds in particular — in Austria and the rest of Central Europe is still very large. The rapid growth of Hungary, Slovenia and other neighboring and nearby CEE countries has produced a new generation of private investors. It's our job and objective to reach them."



Helmut Sobotka, chairman of Capital Invest's executive board.

INTERNATIONAL INVESTING

Headquartered in Vienna, CA IB Investmentbank Aktiengesellschaft maintains 13 offices in Central and Eastern Europe. With a staff of approximately 700 professionals, CA IB provides a broad range of services, including everything from managing mergers and acquisitions and mass privatization funds, to handling capital markets transactions and asset management.

CA IB's activities are by no means confined to Eastern Europe, however, or to the Continent. Quite the opposite. The investment bank's offices in London and New York carry out a full range of trading and capital market activities. Furthermore, CA IB is the leading sponsor and market-maker on EASDAQ, the pan-European stock exchange. This home to high-growth companies was established in 1996.

To date, CA IB's capital markets arm has participated in 41 issuing syndicates in 1998. Of them, nine were in the CEE and 22 in Western Europe, with Austria accounting for a further six. Over the last few months, CA IB has been expanding its area of operations southward and eastward into the Greek and Turkish markets.

Privatizations

During the post-revolutionary era, CA IB has facilitated 27 privatization transactions in the CEE, 170 percent more than the number two in the field. Over the last three years, the bank has acted as a syndicate member in more than 40 West European privatizations. As one might expect, CA IB is very strong in its home market, having been represented in the lead group of all the country's major privatizations.

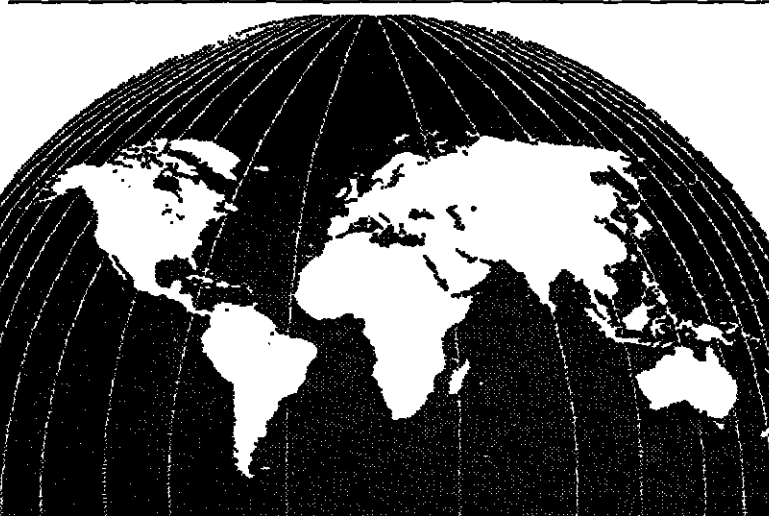
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Bank Austria Creditanstalt WORLDWIDE NETWORK

Argentina	Germany	Singapore
Austria	Hungary	Slovak Republic
Belarus	India	Slovenia
Belgium	Italy	South Africa
Bosnia-Herzegovina	Japan	Spain
Brazil	Lithuania	Switzerland
Bulgaria	Macedonia	Turkey
China	Moldova	U.K.
Croatia	Poland	Ukraine
Czech Republic	Romania	United States
France	Russia	Yugoslavia



STRONG TRACK RECORD IN FINANCING EASTERN EUROPE

Award-winning CA IB investment bank weathers the storm in Central and Eastern Europe and increases market share.

This year was — despite difficulties on Eastern European markets — a year full of opportunities for CA IB Investmentbank Aktiengesellschaft, the investment banking arm of the Bank Austria Group. Although the economic crisis in Russia has — to varying extents — been affecting the countries of Central and Eastern Europe, CA IB successfully and fully exploited the

opportunities arising in the region. The Vienna-based bank, which has a network covering the entire CEE region, retained its position as one of the leading and most respected investment banks in Central and Eastern Europe — and gained further shares in its market.

Top rankings
CA IB held on to first place in the rankings in the CEE's

privatization advisory (in both number and total amount of transactions), equity offering (number) and other sectors.

The investment bank also received three major awards. One of them was EuroMoney's "Best Securities House in Central and Eastern Europe" for the third time running. All told, the bank has received 30 commendations and awards over the last seven years.

Good prospects
Although CA IB has not escaped unscathed from the crisis in its main market, Willi Hemetsberger, the investment bank's CEO, is optimistic about the CEE region's prospects in 1999.

"This is by no means our first Russian crisis. In fact, virtually all of the CEE's countries have experienced a crisis at some time or the other over the past 10 years, including such current stars as Poland and Hungary, only to rebound a year or two later. And the challenge has always been to perceive and exploit the individual opportunities presenting themselves during the region's downs and ups,"

says Mr. Hemetsberger. In 1998, these opportunities stemmed from the region's "storm-proof" sectors — notably, telecoms and consumer durables — and from the onset of the CEE's privatization process. In 1998, major stakes in a large number of the region's public-sector-owned banks and telecoms were sold off, with many more such transactions slated for 1999.

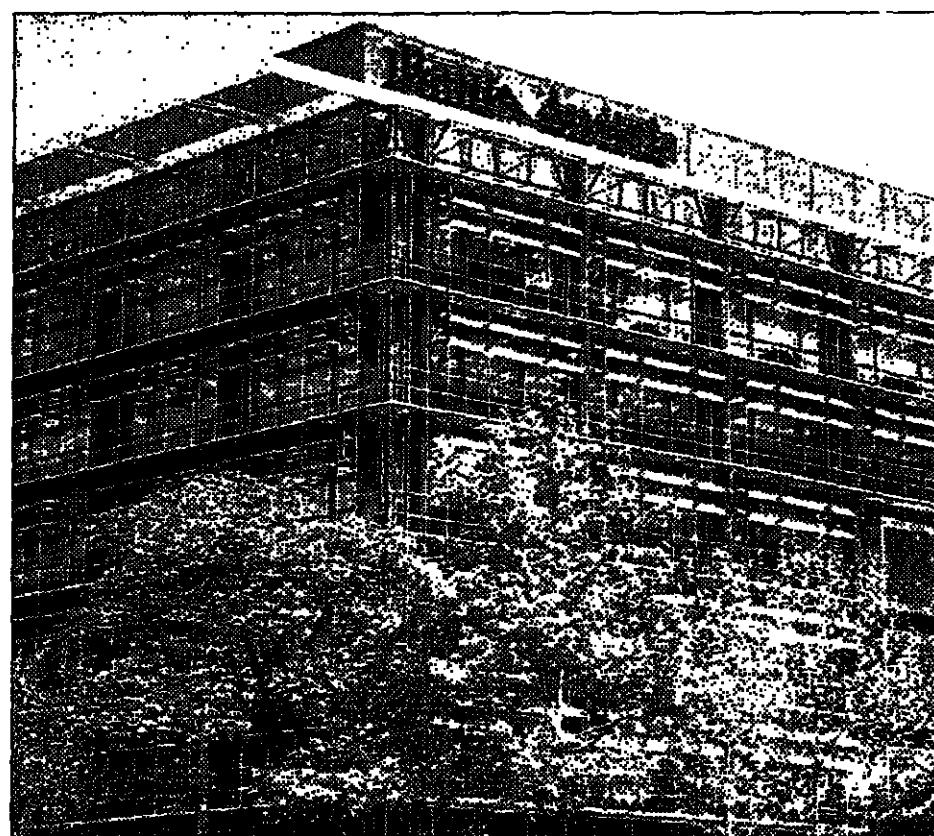
FDI moving in
The Russian crisis has weakened the interest shown by portfolio investors in the CEE region, but foreign di-

rect investors are starting to take their place.

CA IB's corporate finance arm is one of the leaders in its field in the region and has been advising investors on a large number of such transactions. In the more advanced reform countries in Central and Eastern Europe, already privatized companies are now increasingly undertaking interregional merger and acquisition activities.

These are often facilitated by CA IB, which has served as these companies' investment bank throughout their post-privatization phases. ●

Bank Austria Group Performance in 1998
Total Assets: 1.7 trillion Austrian schillings, (\$144.9 billion) (+7.2% over previous year)
Operating Results: 8.7 billion Austrian schillings (\$738.6 million) (-16.8% over previous year)
Capital Adequacy Ratios: Entire capital: 10.27% Core capital: 5.86%
Figures as of Sept. 30, 1998 Source: Bank Austria



Bank Austria's new headquarters building, located in Vienna, is the nerve center of the bank's national and international financial and investment activities.

FOR FURTHER INFORMATION

Bank Austria
Vordere Zollamtsstr. 13
A-1030 Vienna
Tel.: (43 1) 711 91 0
Fax: (43 1) 711 91 56155
http://www.bankaustria.com

CA IB Investmentbank Aktiengesellschaft
Nibelungengasse 15
A-1010 Vienna
Tel.: (43 1) 588 84 21 21
Fax: (43 1) 588 84 61 04

Capital Invest
Obere Donaustrasse 19
A-1020 Vienna
Tel.: (43 1) 331 73 2201
Fax: (43 1) 331 73 2190
http://www.capitalinvest.co.at

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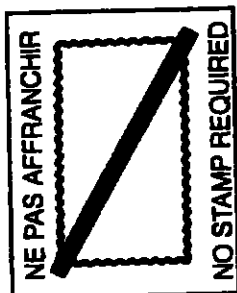
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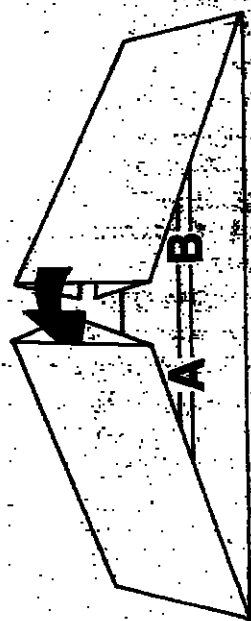
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Live Long and

Making Sure a
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MONEY

SATURDAY-SUNDAY,
DECEMBER 12-13, 1998
PAGE 21

MONDAY
SPORTS

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Live Long and Prosper? They're Conflicting Goals as Life Spans Grow

By Aline Sullivan

LONG LIFE and happiness are blessings realized by surprisingly few people. For many, the life is long but the happiness diminishes along with the means to support it.

Retiring early, buying a vacation home, traveling, even helping a child buy a house or a putting a grandchild through school: These are some of the dreams that can fade as the enormous costs of the so-called golden years assert themselves. For the unprepared, living longer is the antithesis of living well.

Survey after survey shows that most people grossly underestimate the amount of money they will need for retirement. That is partly because they underestimate how long they will live, let alone the 50 percent chance of out-

living their life expectancies.

How long you will live depends greatly on who and where you are, though women tend to live several years longer than men, but there is no doubt that life spans have expanded greatly. In October, Joseph Chamie, director of the population division of the department of economic and social affairs of the United Nations, said that average worldwide life expectancy had grown to almost 63 years today from about 45 years in the 1950s.

That average disguises a wide range of life expectancies at birth, from as little as 40.3 years for men and 41.1 years for women in Malawi to as much as 77.4 years for Icelandic men and 82.9 years for French and Japanese women, according to UN data.

But for the investor worried about retirement, the average is not the whole story. You might die at or below the

average, but then again, you might not. A responsible plan would contemplate a life span at the long end of the range and would ensure that your capital did not expire before you did.

How long is long? Mr. Chamie noted that people were reaching advanced ages in the 80s, 90s and 100s. The number of centenarians is expected to increase sixfold in the coming five decades, bringing the total to 2.2 million in 2050 from 135,000 today.

Looming advances in technology might add several more years to life expectancies. So financial assumptions that served earlier generations need to be reconsidered by those who at three score and 10 still have a way to go.

Inflation is the enemy, no matter how quiescent it seems at present. At even the modest rate of 2 percent a year, inflation will halve the purchasing power of today's money in 36 years. At 3 percent, that time shortens to 24 years and at 4 percent to 18 years. A 6 percent inflation rate will make that same cut in just 12 years and, of course, cut it in half again in the next 12 years.

"The corrosive power of inflation is truly daunting," said Charles Ellis, author of "Winning the Loser's Game."

"At 7 percent, your purchasing power drops to 25 percent of its present level in just 21 years, the elapsed time between early retirement at 61 and age 82, an increasingly normal life expectancy. This is serious business, particularly when an individual is retired and has no way to add capital to offset this dreadful erosion."

The state, if not an enemy, is certainly not much of a friend. The message should be clear: Do not count on the government. Countries around the globe are slashing benefits and boosting taxes as they face up to the impossibility of supporting legions of aging baby boomers by taxing the dwindling numbers of young workers.

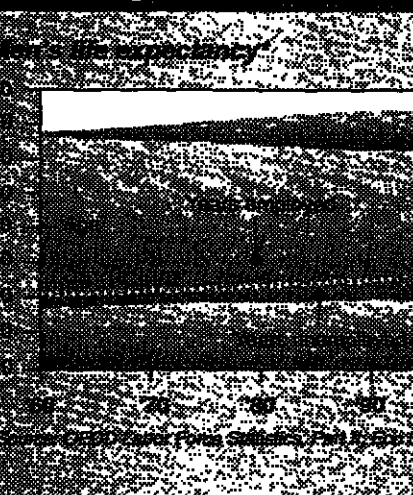
In Brazil, for instance, the government has this year awakened to the fact that it is paying almost 10 times as much to retired state workers as it collected from them when they were working. It hopes to levy taxes of between 11 percent and 20 percent on these benefits starting next year if Congress approves the proposal when it comes up for discussion in February. About 900,000 retirees will be affected.

Whatever the reasons, there is an enormous gap between expectation and reality in retirement planning. In the United States, about 45 percent of working Americans believe that they will need less than 60 percent of their current income to retire comfortably, according to a recent survey by the American Academy of Actuaries. But responses from the retirees surveyed found that only 20 percent spend less than 60 percent of their former annual income. Most people need to replace 70 percent to 80 percent of their pre-retirement income, said Ken Steiner, vice president of the academy.

That will come as a big shock to working people who expect to be able to retire at 65 or earlier.

"The old paradigm of retirement at 65 or 67 doesn't hold," said Gary Krut, chairman of San Francisco Financial Network Inc. "In fact, most of our financial professionals say their clients now plan

A Longer Distance...



... From Here to There

Percentage needed to achieve 65% of pre-retirement income

Your current age	65	70	75	80	85	90	95	100
Next-egg goal	100%	100%	100%	100%	100%	100%	100%	100%
Your current savings	\$0	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000
\$10,000	100%	100%	100%	100%	100%	100%	100%	100%
\$25,000	100%	100%	100%	100%	100%	100%	100%	100%
\$50,000	100%	100%	100%	100%	100%	100%	100%	100%
\$100,000	100%	100%	100%	100%	100%	100%	100%	100%
\$250,000	100%	100%	100%	100%	100%	100%	100%	100%

Making Sure a House Stands the Test of Time

Materials and Features Adapt to New Needs

By Sharon Reier

ANYONE who remembers the 1948 comedy "Mr. Blandings Builds His Dream House" recalls the expenses and frustrations a young couple experiences dealing with a contractor.

"You start out building a house and you wind up in the poochhouse," lamented Cary Grant, whose character wondered about those less fortunate than himself. "Imagine what might happen to a guy who does not make \$15,000 a year!"

Back in 1948, \$15,000 was a substantial sum, the equivalent of about \$100,000 today. Few people can expect that kind of income after retirement. So how can today's home buyers ensure that deteriorating dwellings will not wipe out retirement nest eggs?

Home builders dismiss the idea that today's construction could be so shoddy that homes will require major reconstruction during their lifetimes—even if we live past 100.

James Shimbreg, the former president of the Florida Home Builders Association and former vice president of the National Association of Home Builders in the United States, said that confidence in home construction these days was such that there were now leading institutions offering mortgages for as long as 40 years.

"So they are expecting the home to last at least 40 years," he said. "And the average home built today is designed to last at least 40 and probably for 50 or 60 years."

Technological advances in treating classic materials such as wood, said Mr. Shimbreg, means that today's homebuilders are not restricted to concrete or brick to ensure longevity.

"When I first came to Florida 40 years ago," he said, talking of a state where he built more than 8,000 homes, "virtually all houses were built of concrete blocks. That isn't true anymore. Now in Florida and many other places we use treated lumber to prevent termites and rot. And the ground can be chemically treated to prevent termites."

Homes built of wood, he added, are more versatile than those made of block. "The designs are more interesting," he said.

Not are space-age materials necessary to ensure that a home lasts more than 100 years. Owen Palmer, a member of the Royal Institute of British Architects, pointed out that the back end of his home in Surrey, England was built in 1500 of timber frame and wattle and daub. He added that in the southwest of England, houses built of pecked mud, locally known as cob, have been standing for 200 years.

Workmanship, he maintained, is more important than materials. For instance, he recalled, "back in the 1950s in the U.K. we decided there were some skillful precast concrete buildings going up in Denmark and France. But it was a disaster when we tried to do it in England. The steel beams have to be cut to fit into slots. Our workers didn't do it properly." British builders, he added, are accustomed to bricklaying.

Mr. Palmer noted that new construction is tightly controlled by legislation and that the average builder will deliver buildings that last. "The main carcass of the house will undoubtedly be there in 100 years," he said. "Things like foundation and drainage will last indefinitely."

But he questioned whether most buyers really care. "The average buyer moves every eight years," he said. "They don't want to buy something that will last 100 years. They want something that looks 100 years old."

Industry specialists pointed out that designing the interior of a house to adapt to the frailties and infirmities that accompany old age might be as important, both financially and

psychologically, to residents as the longevity and upkeep of the structure. After all, there are 300-year-old canal houses in Amsterdam that have survived generations but could pose insurmountable difficulties for someone who is 100 years old.

In other words, the needs of the home buyer may change faster than the equipment runs down. For instance, Mr. Palmer said, the average electrical system is replaced every 20 years—not because it does not work, but because it needs to be upgraded for new gadgets such as computers, faxes and digital television.

Houses designed for the elderly typically have wide openings into showers and doorways, and grab bars for the bath. But Mr. Shimbreg said, "unless the purchaser told the builder it was being designed for an older or disabled person, these would not be used."

In the United States, where there seems to be a marketing niche for everyone, builders call people who decide to remain in their own homes throughout their lifetimes "aging in place," said Diane Webb, a manager in the senior department of the National Association of Home Builders.

People who age in place, Ms. Webb said, may want the kitchen to be accessible for use in old age. For instance, she said, "older women tend to shrink, and they may not be able to reach standard kitchen cabinets. Now there are cabinets that are adjustable so they can be moved lower."

Physical difficulties may also make it harder for retirees to perform some household chores. Vacuum cleaning usually requires lugging around a heavy piece of equipment, but Mr. Shimbreg said many new homes now had central vacuum cleaning; a lightweight hose that plugs into outlets leading to a system of pipes in the walls. The dirt empties into a repository in the garage.

Martha Moyer, a spokesperson for Del E. Webb Corp., a builder of adult communities, said her company was seeing increased use of materials that, while higher priced than those traditionally used, were longer-lasting and easier to maintain: tile flooring for kitchens instead of linoleum, Corian countertops—a super-hard substance made by Du Pont Co.—instead of formica.

Webb's marketing emphasizes sporting and recreational facilities that promote active living. Ms. Moyer said, But to cope with possible infirmities, the company primarily markets single-story, ranch-style houses. "Halls are left wider than normal and doorways are a little bit wider to accommodate a walker or a wheelchair when you get older," she said. Levered door knobs replace standard round ones to ease life for arthritis sufferers.

In its market research Webb found that only 5 percent to 8 percent of American retirees were willing to relocate. About 80 percent prefer to live in the place they had their careers, raised their children and made friends.

But whether elderly people choose to stay or move, they should look into the tax climate, said Bob Gross, a former real estate agent in the Boston area. Certain areas have tax breaks for retirees. Communities where elderly people predominate may have low real-estate taxes, since they spend less on schools and drug rehabilitation.

In his own state of Massachusetts, Mr. Gross said, there is a real-estate tax deferral plan. Seniors who earn less than \$40,000 a year can defer less than \$40,000 a year in real-estate taxes, with a charge of 8 percent annual simple interest until either they sell or transfer the property or the amount owed reaches half the value of the house.

That is "almost unattainable," said Bob Reardon, the tax assessing administrator of Belmont, Massachusetts. "We are a wealthy community. The average home is worth \$190,000. You would have to defer \$190,000. It would take at least 20 years."

Evidently no one in Belmont has lived past 100. Yet.

to retire at age 60, five years earlier than they would have 10 years ago."

Nearly two-thirds of the baby-boomer respondents in a Kemper Scudder Investment Inc. study published earlier this year admitted that they had no idea how much money they would need in retirement. But ignorance does not breed bliss: 76 percent said they were worried about their financial future.

They have good reason to be. While some expenses do usually shrink as retirement looms, notably child care and housing, others rise. Top of the latter group is health. Indeed, financial advisers suggest you assume that health-care costs will rise by at least 3 percentage points above the rate of inflation in the United States and double that in Europe, as government subsidies decline.

Confronted with the statistics and the almost overwhelming sums necessary to ensure a comfortable retirement, many people respond by vowing to retire later or never, earn substantially more money, or rely on an inheritance. All three scenarios are unrealistic, financial advisers warn.

Many people find that their earnings peak in their 40s and that afterward they are more likely to be laid off. In Japan, thousands of middle-aged employees who had assumed that they would spend their working lives at one company are now worrying about unemployment. Even the most secure jobs can become a

grind as age advances. The commute becomes unbearable, for example, or the temptation to do something different overwhelms. As for inheritance, long-term care and taxes are likely to seriously erode the fortunes of all but the richest relatives.

Assuming that the bull market returns of recent years are the norm may prove just as big a mistake. From 1982 to 1997, the New York Stock Exchange yielded a compound annual return of 12.8 percent—great news for anyone approaching retirement. But for the 20 years to 1973, the annual average real return was negative, Mr. Ellis writes in his book. The coming decade is anyone's guess.

Look at Southeast Asia, which is well known for its high saving rates (18.9 percent in Malaysia from 1971 to 1996, compared with just 3.8 percent in the United States). Few people predicted the region's economic crisis, but certainly its people are better off than if they had not saved. Of course, it is possible to have too much of a good thing. Many economic analysts attribute at least part of Japan's current problems to its culture of high saving and low spending.

Another assumption worth reviewing is that investors should shift funds into bonds as they age. The conventional wisdom—determining the percentage of assets that should be in stocks by subtracting your age from 100—makes

no sense for anyone able to finance more than their basic needs in retirement. Stocks usually outperform bonds and are a far better bequest to make to children or charities.

Mr. Ellis suggested that investors ask themselves the following questions:

- Does my plan assure of enough income to pay for an appropriate standard of living—after inflation—during retirement? For most people, this works out to 75 percent to 80 percent of pre-retirement spending plus 3 percent to 4 percent annually, compounded to offset inflation.
- Will my financial reserves be sufficient to cover emergencies such as health crises in old age?
- Will the remaining capital match my goals and intentions for giving to my heirs and charities?

"If these core questions are not fully and affirmatively answered, your plans need to be reconsidered and changed, perhaps substantially," Mr. Ellis said. "Do it now."

For further information:

- THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT has a report called Maintaining Prosperity in an Aging Society that can be viewed at www.oecd.org/dataoecd/7/7/19971001
- THE UNITED STATES Institute has a website with comparative statistics of international retirement systems at www.usia.gov/retirement/971001
- WINNING THE LOSER'S GAME, Timeshare Strategies for Successful Investing, by Charles D. Ellis. Published in May 1998 by McGraw-Hill, \$24.95. Contact: Lydia Handlin by telephone at 1-212-337-3045. ISBN: 0-07-023010-7.

You Should Live to Be 100—and You Just Might

By Conrad de Aenlle

W E ALWAYS thought that at 65 we would retire, then play golf," says Jeremy Rifkin. "For a lot of people now, that is just over midlife." Mr. Rifkin—author, lecturer and diviner of scientific and economic trends—thinks that a lot more of us, not long from now, will have to rethink our notions of old age and retirement as advances in genetic research and treatment reset the upper limit of the life span.

"No one knows for sure," he cautioned, "but if you have a very sophisticated approach to keeping people well through diet and exercise, it seems not unlikely to have the average life span at 100 to 110 for people who are here now, people who are 2 to 3 years old."

"I'm being very conservative now. There is no reason in the next 20 years why we couldn't have a life span of 100 or a little more. For those folks who are middle-aged now, advances over the next 20 years will put years on people's lives. Depending on how fast the technology moves into the marketplace, it's not unlikely to extend the life span five to 10 years for many people."

This is the advent of the "biotech revolution," Mr. Rifkin said, citing some of the initial skirmishes that have been occurring with astounding frequency: sheep cloning; genetic mapping and screening; manufacture and regeneration of human body parts; the creation of interspecies hybrid cells.

Research being done now, he said, will bring changes in all facets of life—including how long it lasts.

"This is not a marginal evolution, but a core revolution of the 21st century," said Mr. Rifkin, who founded the Foundation on Economic Trends in Washington and is an adviser to governments and a fellow at the University of Pennsylvania's Wharton School of Business. He is the author of "The Biotech Century: Harnessing the Gene and Remaking the World."

He prefers a revolution along the "soft path," with genetic screens used to devise the best programs of nutrition and exercise to maximize each person's life span. People found through screens at birth to face a risk of developing colon cancer, for instance, could be started on a high-fiber diet at the appropriate time.

"Over 95 percent of longevity is accounted for by better nutrition, hygiene and sanitation," he said. "The way to use this science is to have a sophisticated 21st-century preventive health regime in the commercial marketplace."

This approach, apart from being practical, would eliminate the ethical and social concerns of such "hard-path" procedures as gene-replacement therapy and, perhaps, the development of made-to-order genes.



Jeremy Rifkin: Longer life through gene technology is 'not a marginal evolution, but a core revolution of the 21st century.'

"They are based on totally different approaches, with a totally different frame of reference and value system, and with different results for society," he said. Among his misgivings is that the quantity and quality of life could be held for ransom by a handful of multinational pharmaceutical companies owning patents on all 100,000 human genes.

Life-science companies are looking for "ways to control genetic instructions to extend age," he said. "The hope is to turn the human stem cell into a living factory that they can control to turn on switches to produce those parts of the body they need to regenerate."

The stem cell is what embryos are made of before

cells become differentiated into the building blocks of the various systems of the body: blood, nerves, muscles and so forth.

"That's a big problem on commercial and philosophical grounds," he said. "The public might be quite shocked at the prospect of global life-science companies having patents on the human blueprint."

"Whoever controls the genes controls the 21st century," he said. "It will be as critical in the next century and controlling materials and fuels was in the industrial era."

The hard-path approach, he contended, "raises serious questions of eugenics." Genetic screens are already being used to influence decisions on employment, education and health insurance. It is not far-fetched to think of a two-tiered society in which the "haves" are born with the right genes, or have the money to buy them, and the "have-nots" must get by with Brand X genes. Another result could be "gene wars" between northern countries, which have the money and scientific expertise, and southern countries, which are rich in genetic diversity.

"There's a broader ethical issue here," he said. "Does life have intrinsic value, or is it just intellectual property with commercial utility in the market? I think we'll see in a few years a genetic-rights movement."

Mr. Rifkin dismisses the hard-path types as simplistic reductionists. He notes that their philosophy has been used to suggest that someday the contents of human brains might be stored on computer disks and placed in new receptacles to produce a sort of immortality.

If the hard-path approach wins the day, he said, old age may be spent unpleasantly, repeatedly replacing body parts and cells that have gone on the fritz. If the path to extended life is as soft as he hopes, then those added years will be spent in good health.

Mr. Rifkin has a few ideas about how people will be spending that extra time: "As people get older, what we're going to begin to see are new opportunities beyond the marketplace and beyond government," he predicted. These will occur in a "third sector" of cultural, religious, civic and fraternal organizations.

"Why not begin to have spirited debate in every country on the possibility of creating separate vocations—paid, full or part-time?" he said.

"We have to think from an early age about a vocation, and we have to plan financially much more carefully. If we live to 100, what's going to happen to Social Security? We have to understand that increased longevity brings with it added responsibilities. This notion of retirement should be eliminated altogether."

For further information:

THE BIOTECH CENTURY: Harnessing the Gene and Remaking the World, by Jeremy Rifkin. Published in May 1996 by Putnam/Tarcher, \$24.95. ISBN: 0-67-077000-0.

THE MONEY REPORT

BRIEFCASE

Brokerage Service For Small Change

Individuals with only small sums to invest, along with just plain penny-pinchers, are welcome at the National Association of Investors Corp. The group, based in the northwestern Detroit suburb of Troy, Michigan, is known for its efficient, low-cost program that enables members to buy one share and join the dividend-reinvestment plans of about 150 companies.

Now NAIC has a new program called Stock Service, which allows investors to buy

shares of 240 companies through a discount brokerage. The plan includes U.S.-listed stocks that are popular with investment clubs, including Amgen Inc., Coca-Cola Co., General Electric Co., Microsoft Corp., and Walt Disney Co. Other companies are to be added later.

The commissions consist of two parts. All investors in the program pay from 3 cents to 8 cents per share, depending on the size of the trade (it takes 1,501 shares to get the 3-cent rate).

In addition, there is a choice of three annual fees. Platinum-plan investors pay an annual fee of \$200 for the right to execute an unlimited number of transactions. The Gold plan for moderately active investors costs \$60 a year and imposes a \$4.50 charge for the first six purchases each year with lower fees thereafter, down to \$3.50 for 26 or more. Less-active investors can opt for the Silver plan, with an annual fee of \$36, plus \$8 for each transaction.

A key distinction between this plan and regular discount brokers is that every month, all customer orders are consolidated. Shares are purchased on the last Friday of the month, and the minimum investment for each stock is \$10, so investors can start with a fraction of a share.

Other features of the plan are a money-market fund and the ability to purchase stocks outside of the program for a modest \$25 commission, which is also charged on all sales, including stocks bought in the program, even under the Gold Plan.

The program differs from NAIC's original plan, which is still available, in which beginning investors buy single shares of stock in any of the participating companies after joining NAIC and paying a \$7 set-up fee for each issue. Al-

most all the companies in the program have dividend-reinvestment plans.

To participate in either plan, you have to join the NAIC, at a cost of \$68 a year (\$39 for U.S. residents), which includes a subscription to the group's monthly publication, "Better Investing." (IHT)

For further information, call 1-800-353-6242, or visit the website at www.naic.com. (IHT)

Luxury Stocks Looking Pricey

With weakness in many economies making consumers nervous, up-market branded goods are becoming luxuries that people cannot afford. That assessment could soon apply to the stocks of companies that sell them, in the opinion of Jacques-François Dossin, who covers the industry for Goldman Sachs International.

Speaking at a recent conference in London, Mr. Dossin said a combination of intensifying competition, reduced sales and high valuations after the rebound in stock markets made the sector an unappealing investment.

"We expect negative news flow in January when second-half results come in," he said. "There is a big discrepancy between what the market expects and reality."

The reality is that purveyors of luxury items depend on consumers in Asia and emerging markets to buy their wares and that these countries have been broadsided by various financial and economic crises. In particular, the devaluation of the yen and other Asian currencies is driving up costs at a time when disposable income is vanishing.

"Over the long term and short term, Asia remains the issue," Mr. Dossin said. "The Japanese feel-good factor at the consumer level is still subdued." That is for-

cing companies to cut prices as they compete for shrinking markets, and because it is such a high-margin business, the decline in revenue "goes directly into the operating-profit line," he said.

The high-end cosmetics business is in better shape, he added. The best company in this respect, he said, is Swatch Group, the worst, in his view, are Hermes SA and Clarins SA. (IHT)

A Bad Connection

After hitting a low in October, the American Stock Exchange's Computer Network Index bounced nearly 70 points early last week, only to run into trouble on Thursday, when it lost 3 percent. It was falling further on Friday, but this reflects weakness in communications equipment rather than computer networking, according to Independent Economic Analysis (Holdings) Ltd.

I.D.E.A., as the firm is known, said Alcatel SA and Northern Telecom Ltd. were reacting to the profit warning given by L.M. Ericsson AB on Thursday. I.D.E.A. noted that Alcatel, which fell 7 percent Thursday, had already warned of weak profit.

Ericsson, which is not in the index, cited consumer preference for its less-profitable products for its warning. This has little to do with computer networking, which I.D.E.A. thinks will remain strong, thanks to such companies as Cisco Systems Inc. and 3Com Corp. It forecast the index could test its record high of 436, up from 380 on Friday. (IHT)

An Offshore Account With a Twist

By Barbara Wall

AN IDEAL complement to your existing checking account, or an offshore bank marketing gimmick? Exactly who are offshore multicurrency checking accounts designed for?

These days, most offshore private banks offer a multicurrency checking facility of one type or another. Cynics might argue that these accounts are little more than conduits for the promotion of other private-banking products, such as mutual funds, but their promoters describe them as flexible, cost-effective and particularly suited to expatriates.

What customers get from a multicurrency checking facility is a high-yield, instant-access account denominated in the currency of their choice. There are usually no charges levied for check collections and no foreign-exchange commissions. So if you were to set up a U.S. dollar account and deposit foreign currency checks into it, the money would be credited free of charge and the currency converted at that day's applicable rate.

As the account is held offshore, interest is paid gross. The interest rate applied depends on the balance and the currency the account is held in. For sterling accounts with minimum balances of £10,000 (around \$16,000), the rates vary between 5 percent and 7 percent. The rates for dollar accounts are slightly lower, typically around 4 percent on balances of \$15,000.

Not only do they pay interest, but most accounts offer free checking and have few other fees as long as a minimum balance of about \$7,000 is maintained.

There are some drawbacks. Typically, customers have a choice of at least 30 currencies in which to open accounts, but checkbooks are only available in U.S. and Canadian dollars, British pounds and Deutsche marks. Accounts denominated in other currencies may require holders to telephone or fax their banks to make withdrawals, and many banks do not issue

debit or credit cards for the accounts.

A few offshore private banks, including Guinness Mahon Guernsey Ltd., Royal Bank of Canada Guernsey Ltd. and Singer & Friedlander Isle of Man Ltd., allow clients to write checks in different currencies.

But multicurrency checkbooks have limited uses. There are no check guarantee cards to accompany the checkbooks, so they cannot be used for everyday payments. Also, the checks can take a long time to clear and account holders are generally charged a processing fee for each one.

"While dollar, sterling and Deutsche mark checks clear through

Mahon. "The type of person that might want to open an account with us is someone who works overseas and has commitments in a number of currencies or who is in receipt of regular foreign-currency checks and does not want to pay foreign-exchange commissions or check-collection charges."

"Some clients like the flexibility that multicurrency accounts can provide. For example, a client who works in the Middle East, who is paid in U.S. dollars and has bills to pay in Britain may decide to open a U.S. dollar and sterling account, so that he can choose when is the best time to switch currencies."

Onshore banks also offer multicurrency checking accounts for international clients, but they often charge for paying out and receiving money into the account. National Westminster Bank in Britain, for example, charges customers £5 for every check issued. Also, it is unusual to find onshore clearing banks that pay interest on instant-access currency accounts.

There are other accounts designed with the expatriate in mind that do not have high minimum balances and restrictions on account access.

PaineWebber Group Inc. has an instant-access account tailored to U.S. expatriates. For an \$85 annual fee, PaineWebber will wire funds to a client's foreign checking account and pay the client's U.S. domestic bills. PaineWebber does not charge for foreign exchange or normal account transactions, such as wire transfers and bill payments.

The PaineWebber International Account pays interest currently 4.72 percent — and there is no minimum balance, though the general idea is that the expatriate's salary is paid into the account, and a gold MasterCard, and an overdraft credit line is available.

For further information, call:

• GUINNESS MAHON: 44 1481 723 506.
• PAINWEBBER: 1 800 789 3165.
• ROYAL BANK OF CANADA: 44 1624 646 200.
• SINGER & FRIEDLANDER: 44 1624 623 235.
MONEYFACTS has statistics on multicurrency checking accounts. Telephone 44 1 603 476476.

Multicurrency checking accounts come with high interest — and limited convenience.

the clearing system in the relevant countries, an automated clearing system does not exist for multicurrency checks," said a bank executive in Guernsey. "Checks have to be sent for collection to the account holder's bank. This invariably incurs a charge which is passed on to the account holder. The charge can be as high as \$35 per check."

Although they are marketed as instant access accounts, multicurrency checking accounts are clearly not designed for everyday use. Penalties are levied if account balances fall below a certain threshold, and some banks restrict the number of transactions allowed each quarter.

So who would benefit from a multicurrency checking account?

"Multicurrency accounts are primarily savings vehicles, but account holders have the opportunity to make remote transactions," said Hazel Kelling, a spokesperson for Guinness

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For information please contact:
Katy Hour: Fax (33-1) 41 43 92 12 or e-mail: kathy@hour.com

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December 11, 1998

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GE Hopes Fame Extends to Funds

By Carole Gould

The GE funds now being promoted to the public were started in 1993. They carry steep sales charges: 5.75 percent for stock funds and 4.75 percent for bond funds.

New York Times Service

THE GENERAL ELECTRIC funds are open only to investors in the United States, including Puerto Rico. For information, call 1 206 625 1755, or, toll-free in the United States, 1 800 656 6626.

Thoughtful, Lucrative and Weird: A Passel of Fun Gifts

Giving team stocks to kids is a great way to introduce them to investing. A company called One Share of Stock Inc., in San Francisco, will take care of buying a single share—an expensive proposition with most stock brokers—

market capitalization of only \$2.2 million — and it trades at 34 cents a share after falling more than 60 percent on weaker earnings. But, if the four-cent annual dividend holds, it will yield 11.6 percent.

• **Noo Yawk cabbie.** How would you like to invest in an unusual company, owned by immigrants and selling a product that helps scrappy,

S K. GLASSMAN ONI

under Section 1044 of the U.S. Tax Code. If you are subject to American taxes and have a profit in another stock, you can roll over your gains into Freshstart within 60 days and defer taxes until you sell Freshstart. Check

But, along with all its other benefits, the company provides an attractive way to invest in a booming New York where, at least for now, taxi medallions are in limited supply but cabs (especially on rainy nights) are in overwhelming demand.

Four years later, he took the fund public under a title the SEC found less provocative: Morgan Funshare. After all, sin and fun are often interchangeable.

I drew readers' attention to Fudr's shares in this column two and a half years ago — not so much for the content of the portfolio as for Morgan's investment philosophy compatible with my own. "Buy low and never sell," he told me. "That's the key. I'm sorry I waited so long to find this out."

Funshares is a closed-end fund which means that it trades like stock, on the Nasdaq, so you buy

Another mutual fund that capitalizes on the holiday lifestyle is Cabelli's Couch Potato, which buys telecommunications stocks that take advantage of the trend toward sitting at home and watching the tube (computer or TV). The portfolio includes Cablevision Systems Corp., which owns cable systems in Boston and New York and a majority interest in Madison Square Garden; USA Networks Inc., which owns the Sci-Fi Channel and Home Shopping Network; and Seagram, which owns Universal Studios as well as its beer, wine and liquor interests.

• **Fruitcakes.** And finally, this nutty stock for Christmas: Paradise Inc., which makes candied fruit, uses in the manufacture of fruitcakes. Paradise is a highly seasonal business, as you might guess. It loses lots in the first two quarters and makes lots in the next two. Partly as a result, despite steady profits, it is hardly favorite with investors, currently trading at a P/E of 4.

All these stocks and funds make intriguing gifts — even better than fruitcake.

Washington Post Service
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WORLD ROUNDUP

IOC Investigating Scholarship Fund

Inquiry Focuses on Salt Lake City Officials During 2002 Games' Bid

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — The International Olympic Committee formed a special commission on Friday to investigate scholarship payments made to relatives of some IOC members by Salt Lake City officials during their successful bid to host the 2002 Winter Games.

The scholarship payments, termed "bribes" by an IOC member, Marc Hodler, were the primary focus on the first day of the IOC executive board meetings, and they will remain squarely on the agenda.

The four-man special commission, which will be led by the IOC vice president, Richard Pound, will consider the evidence in the case and attempt to deliver a judgment as quickly as possible — perhaps before the end of the meetings on Monday.

Pound, who had yet to examine any of the related documents, declined to detail what action his commission might take and declined to respond when asked whether Salt Lake City risked losing the Games.

"We're not going to make any conclusions, or any speculation until we know what the facts are," said Pound, a Canadian attorney.

John Krinsky, the United States Olympic Committee deputy secretary

general, said he believed that stripping Salt Lake of the Games was "not even a remote possibility."

"Please understand that the organization of the Salt Lake Olympic Committee today is a very different group than the one doing the bid," Krinsky said. "There are a couple of carryovers, but this is not the same group."

One of the holdovers is the Salt Lake Olympic Committee president, Frank Joklik, who was called to a meeting with the IOC president, Juan Antonio Samaranch, on Friday morning in Lausanne and handed over documents relating to the case. Also present were Kelly Flint, senior vice president of Salt Lake Olympic Committee, and an American IOC member, Anita De-Francis.

"The inquiry hasn't really begun yet and when it does we intend to be fully cooperative," Joklik said.

The other three commission members are Thomas Bach of Germany, Jacques Rogge of Belgium and Judge Keba Mbaye of Senegal. They and Pound are among the most influential members of the IOC, which has decided to proceed with uncommon alacrity in this case.

"The Executive Board takes this matter very seriously," said Pound. "Despite many rumors in the past, we've never had something come forward."

The scholarship fund was disclosed

two weeks ago by a radio station in Salt Lake City. On Wednesday, Salt Lake Olympic officials announced that six relatives of the International Olympic Committee had received money from a privately financed \$500,000 fund to help pay for their studies.

The only relative to have been identified is Sonia Essomba, the now deceased daughter of Rene Essomba of Cameroon. Sonia Essomba was given money to attend American University in Washington.

"I've already stated that I do not regard what was done as bribery, even though I recognize that there have been perceptions contrary to that," Joklik said Friday. "I regret those perceptions but don't feel they're justified."

A total of 13 people were given scholarships or grants for training during the program, which operated from 1991, the year Salt Lake City was chosen by Nagano in its bid to play host to the 1998 Winter Olympics, and 1995, when it was the overwhelming choice to stage the 2002 Games.

Joklik said this week that the scholarship fund was established to offer educational and athletic opportunities to those from disadvantaged countries.

But Rene Essomba was a prominent Cameroonian physician and former secretary-general of the national Olympic committees of Africa, not a man of no means or influence.



Alexandra Meissnitzer clearing a gate on her way to victory Friday.

Austrian Skier Wins Again

VAL D'ISERE, France — Alexandra Meissnitzer followed one of Alpine skiing's greatest names by winning a Val d'Isere giant slalom on Friday to complete back-to-back victories.

The 25-year-old skier, who also won the Super-G on Thursday, became the first Austrian woman to win a World Cup giant slalom in the French resort since Anne-Marie Moser-Proell in 1974.

The victory stretched her overall World Cup lead as she won her fourth

race in 10 this season. Meissnitzer's two-run combined time was 2 minutes 17.34 seconds. She built a big lead over the eventual runner-up, Deborah Compagnoni of Italy, with an opening run of 1:08.53.

Meissnitzer's second-fastest time of 1:08.81 in the second leg was enough to secure the triumph. Compagnoni finished .82 seconds behind.

Anita Wachter, 31, another Austrian, was third, gaining her first World Cup podium of 1998 after a knee injury in January almost ended her career spanning 15 seasons.

No Racing in China

AUTO RACING China was dropped Friday as a site for a 1999 Formula One Grand Prix, saying there were organization problems "experienced by the organizers."

The FIA finalized its 1999 Formula One and Rally schedules. China had been listed on a tentative schedule as the second race of the 1999 season. In a statement, the FIA said that China would be placed on a reserve list with Argentina for 1999. "There also remains the possibility that the FIA can secure an agreement with the teams to run an additional race," the FIA said in finalizing the 16-race Formula One calendar. (AP)

2 Germans Set Records

SWIMMING The Germans Mark Warneke and Thomas Rupprath set world short-course records Friday on the first day of the three-day European championships in Sheffield, England. Warneke won gold with a record time of 26.70 seconds in the 50-meter breaststroke, bettering his own mark of 26.97. Rupprath clocked 24.13 in winning the 50-meter backstroke, bettering the mark set last year by Canadian Chris Renaud (24.25). (AP)

Eckersley Calls It Quits

BASEBALL Dennis Eckersley, who appeared in more major league games than any pitcher, has announced his retirement. After 24 years — and 1,071 appearances — Eckersley retired after the Boston Red Sox refused to offer him salary arbitration. "To be honest with you, somebody had to make the decision for me because I wouldn't have done it," said Eckersley, 44. (AP)

The Devils Foil Lindros

HOCKEY No matter how hard Eric Lindros tries, he can't seem to lead the Flyers past the New Jersey Devils. Dave Andreychuk scored 78 seconds into overtime as the Devils beat host Philadelphia, 5-4, on Thursday despite Lindros' second straight two-goal game. (AP)

After Kazakhstan's Shining Moment, the Chinese Roll On at the Asian Games



Nurullaev Bahtiyar of Uzbekistan losing control of his lift on Friday.

BANGKOK — Kazakhstan's canoeing team brought a short pause Friday to China's rapid-fire gold medal collection, before the Chinese weight-lifter Sun Tiansi did the most thorough job so far at the Asian Games of smashing world records.

The Malaysian Lim Keng Liat also slowed the Chinese onslaught, winning a swimming gold medal that seemed to take him by surprise. It was Malaysia's first gold of these Games, and it later added a second in doubles snooker, where Sam Chong and Ooi Chin-kay beat Thailand's Phaitan Phombun and Noppadon Noppachorn.

Indonesia also won its first gold here, in badminton.

"I feel like I'm making history for my country," said Lim, who said he had hoped just to finish in the top three.

But China still took the bulk of the day's golds — 11 of 25 — and led the standings with 61 in all. Japan had 23, South Korea 21 and Kazakhstan 11.

Kazakhstan won five gold medals in canoe and kayaks in less than an hour — before China took the final two women's races.

In other victories against China, Taiwan beat its women's tennis team for a gold, Indonesia defeated its men's badminton team for another, a South Korean beat a Chinese fencer in a championship match, and North Korea stopped a Chinese sweep of the day's four golds in shooting.

China's biggest setback came in men's 85-kilogram class weight-lifting, where the Asian record holder, Zhang Yong, failed on all three tries at 130 kilograms in the snatch, and had only a result from the jerk — 200.

Iran's Shabini Nassiri-Nia won gold with a total lift of 380 — a snatch of 170 and jerk of 210. China's Yuan Aijun took silver with 370.

But in the women's 69-kilogram class, Sun Tiansi outdid her Chinese women teammates Friday. On the four previous days, Chinese women lifters all had won gold medals and set world marks, but none had completely rewritten the records in snatch, jerk and total.

Sun's 111 kilograms in the snatch broke the record of 110.5 set by a com-

patriot, Tang Weifang, last month, and her 135 in the jerk beat the mark of 133.5 set by China's Shang Shichun in May. Her total of 245 erased Tang's 242.5, set in April.

In the pool, Japan won two races and clung to a 12-11 lead after 26 of the games' 32 swimming events. Its winners Friday were Takashi Yamamoto in the men's 200-meter butterfly and the women's 4x100 medley relay team.

China closed the gap when Wu Yanyan and Chen Yan repeated their world championship 1-2 finish in the women's 200-meter medley. Jiang Chengli became the fourth fastest swimmer in the world this year in the men's 50-meter freestyle, and Chen Hua won the women's 800 freestyle.

SCOREBOARD

ASIAN GAMES

FRIDAY BANGKOK, THAILAND

WOMEN'S TEAM

Gold — China

Silver — South Korea

Bronze — Indonesia and Japan

WOMEN'S TEAM

Gold — Indonesia

Silver — China

Bronze — South Korea and Malaysia

WOMEN'S TEAM

Gold — Malaysia (Cheng Tsai-shan and Oai Chih-yang)

Silver — Thailand (Nopphadol Nopphadol and Pichai Phairat)

Bronze — Pakistan (Shahid Mahmood and Ali Shahid)

CANOEING

WOMEN'S 500-METER KAYAK SINGLES

1. Tania Sargha, Kazakhstan, 2:02.67

2. Zhou Yanyan, China, 2:03.80

3. Yoo Yoo, China, 2:07.44

WOMEN'S 500-METER KAYAK PAIRS

1. China (Gao Beibei, Zhang Hongyan), 2:04.46

2. Kazakhstan (Natalia Sergeevna, Tania Sargha), 2:07.28

3. Uzbekistan (Tania Levkina, Oksana Shipilovich), 2:09.42

WOMEN'S 500-METER KAYAK PAIRS

1. China (Fang Ailing, Li Zhiming), 2:09.42

2. Kazakhstan (Natalia Sergeevna, Tania Sargha), 2:09.42

3. Uzbekistan (Tania Levkina, Oksana Shipilovich), 2:09.42

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BASKETBALL

EUROLEAGUE

WITH ROTATION

Group A

1. Real Madrid, 83

2. Barcelona, 78

3. Valencia, 75

4. Baskonia, 72

5. Joventut, 68

6. Tassa, 65

7. Breogán, 62

8. Girona, 58

9. Baxi, 55

10. Manresa, 52

11. Andorra, 48

12. Estudiantes, 45

13. Unicaja, 42

14. Burest, 38

15. Brest, 35

16. Pau, 32

17. Girona, 28

18. Brest, 25

19. Pau, 22

20. Girona, 18

21. Brest, 15

22. Pau, 12

23. Girona, 8

24. Brest, 5

25. Pau, 2

26. Girona, 0

27. Brest, 0

28. Pau, 0

29. Girona, 0

30. Brest, 0

31. Pau, 0

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DAVE BARRY

Fun and Crafts Time

MIAMI—Ho ho ho! 'Tis the Christmas season, a time of festivity and fun and credit-card statements the length of "The Brothers Karamazov." It's also a time when the publications at supermarket-checkout counters are chock-full of articles featuring creative holiday craft ideas, with headlines like: "JFK JR. TELLS OPRAH: 'CAST OF 'FRIENDS' ATE MY BABY!'"

No, sorry, wrong type of supermarket-checkout publication. The ones with the holiday craft ideas are the home-maker magazines, which are filled with articles like "50 Fun Holiday Crafts You Can Make With Your Saliva." The problem is that, to make these crafts, you usually have to understand some technical craft terms. For example, I have here a Family Circle article on 25 do-it-yourself holiday gifts; in the instructions for making a "Yuletide Shelf," it says that step one is to "gesso an unfinished wooden shelf."

Call me a big fat holiday dope if you want, but I have no idea what "gesso" means. It sounds like dialogue in a bad western: First Cowboy: Yew fixin' nih wrangle them heifers? Second Cowboy: Ah gesso.

The thing is, I happen to consider myself a craft expert.

based on my experience in the summer of 1966 at Camp Sharpshooters in Dover, Farnham, New York, where I held the title of Camp Shop Counselor. They did not give this title to just anybody. They gave it only to those individuals who, when asked, "Do you want to be Camp Shop Counselor?" answered "O.K."

Our most popular craft project—in fact, our only craft project—was having the campers make "lanterns," which were these things that you made by braiding something called "gimp."

I suppose I should have come up with some other craft projects, but I was pretty busy fighting bats. The Camp Sharpshooters craft shop was located in a rustic old structure that housed what had to be the largest irate bat colony in North America. Around dusk the bats would swarm out and, perhaps angered by the "gimp," swoop around the campers, causing them to become frightened and commit potentially serious braiding errors. So I, as the authority figure, would try to hit them (the bats) with a broom. I got pretty good at it. The key is to have a relaxed grip on the handle, keep your eye on the bat and follow through on your swing. I could consistently drive a bat 25 feet, which is more than twice the best distance ever attained by so-called craft expert Martha Stewart.

And that is why today I am proud to present the following holiday feature, "Christmas Projects for the Craft-Impaired." We'll start with an easy and inexpensive gift idea:

HOLIDAY COAT HANGERS

This is the perfect solution for that embarrassing moment when people give you a gift and you didn't get anything for them. Simply take an ordinary wire coat hanger from your closet, tie a festive red ribbon around it, and you have a useful, hand-crafted gift that perfectly expresses the holiday message: "This coat me nothing." If you don't want to go to all that trouble, you can simply give people a hanger and tell them to tie their own ribbon on it. For that matter, they might just as well use their own hanger; no sense in killing yourself! You have other projects to think about, like this fun and rewarding idea for the kids:

I always end up just drinking the rum, or, if no rum is available, beer.

MAYONNAISE NATIVITY SCENE

Get a big jar—no, get several big jars—of mayonnaise. Scoop the mayonnaise out onto a table or floor in a big glob, and tell the kids to make a Nativity Scene out of it. They can't, of course, but they'll be busy for the next few hours, which gives you some time to make:

FESTIVE HOLIDAY EGGNOG

Eggnog is a traditional old beverage that gets its name from two words, "egg," meaning "egg," and "nog," meaning "a sound people make in the bathroom if they have consumed too much eggnog." You need a dozen eggs, a quart of rum and some other ingredients that I forget. Begin by separating the egg whites from the yolks. When you're done, take a standard No. 2 pencil and write me a letter explaining how you did it, because I never could. I always end up just drinking the rum, or, if no rum is available, beer. Which always puts me in a good mood to plan my:

HOLIDAY "SURPRISE" GIFT PARTY

Invite all your friends, and, in the invitation, tell them to bring a wrapped gift with no name on it. At a given time gather all your guests together and tell them to go home. Then open the gifts. If any guests refuse to leave, threaten to gesso them. Because you're a busy person with many more holiday projects to attend to. Such as getting the mayonnaise off the dog.

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It expresses the perfect holiday message: "This coat me nothing."

In Ivory Coast, a Touch of Romance in the Night

By Norimitsu Onishi
New York Times Service

ABIDJAN, Ivory Coast—The sun was setting far, far away, casting a mysterious glow on Ebrie Lagoon here. From her villa, Vanessa Toussy, a former hostess for Air Afrique, watched the sunset with rather sad downcast eyes, for she did not know that the athletic and dashing Christian Magon was thinking of her.

A gin and tonic in his hand, Christian stood in front of a bay window in his bachelor pad in Deux-Plateaux. He gazed longingly at the stars twinkling in the sky, unable to get Vanessa's bewitching smile out of his mind.

And so unfolds a scene from "Un Bonheur Inattendu," or "Unexpected Happiness," one of the six titles in Adoras, a new series of African romance novels believed to be the first of its kind. Since their premiere in May, the African Harlequins have become such a hit in the Ivory Coast that their publishers are rushing out five new books for Christmas.

They have also sold well in Senegal and other corners of French-speaking Africa, apparently filling what the publishers described as a demand for romance novels with African characters, themes and settings.

In "Un Bonheur Inattendu," Vanessa and Christian are Ivorian yuppies who live here in the fancy neighborhoods of Riviera and Deux-Plateaux. Glances are exchanged, not over candlelit French dinners, but over plenty of couscous and *kechenné*, a Senegalese dish. The backdrop is Abidjan, this country's commercial capital and West Africa's most modern city, with skyscrapers and wide highways built around Ebrie Lagoon.

"What's great about Adoras is that we can experience what's in the books, because they contain scenes from our daily lives," said Denise Quenum, 34, a physical therapist. "It's like we're living

each moment, each location, each name. The books talk about sun and rain, not snow and autumn."

"In Harlequin novels," she continued, "there's always a Prince Charming, blond and blue-eyed. That was not realistic."

Empathy is critical to romance novels, said Meliane Bognifo, director of the series, which is published by Nouvelles Editions Ivoiriennes. So beyond the hero's fair looks, the staple ingredients in traditional Harlequins made them unappealing to many Africans.

What is so sexy, Bognifo asked, about receiving a fur when the mercury is hitting 90, at night, in the cool season? "And we do not understand what is so romantic about a couple sitting together in front of a fireplace," added Bognifo, who wrote one of the novels, "Coeurs Piégés," or "Trapped Hearts."

"And she turned red," she continued. "We know what it is to have blood rush up to your face, but we don't blush."

Instead, the stories are rooted in real trends or incidents. "Sugar Daddy" focuses on a relationship common in Abidjan, between a female college student and a *tonon*, an older, rich man. In "Parfums d'Assinie," a student must drop out of college when her mother loses her entire stock of cloth in a big fire in a market, which actually occurred here last year.

Extended families, as the anchors of African societies, play prominent roles in the love stories. Sex scenes are tame by Western standards, in keeping with the heroines, who, as Bognifo put it, are all "chaste girls who only ask to give love."

Some local literary critics even praised the books as efforts to liberate this country, a French colony until 1960, from Western culture. Kinimo Kanga, a critic for a daily newspaper in Abidjan, likened the African Harlequins to the publication in recent years of African children's books.

"Our children no longer talk only of Snow White and Cinderella,"

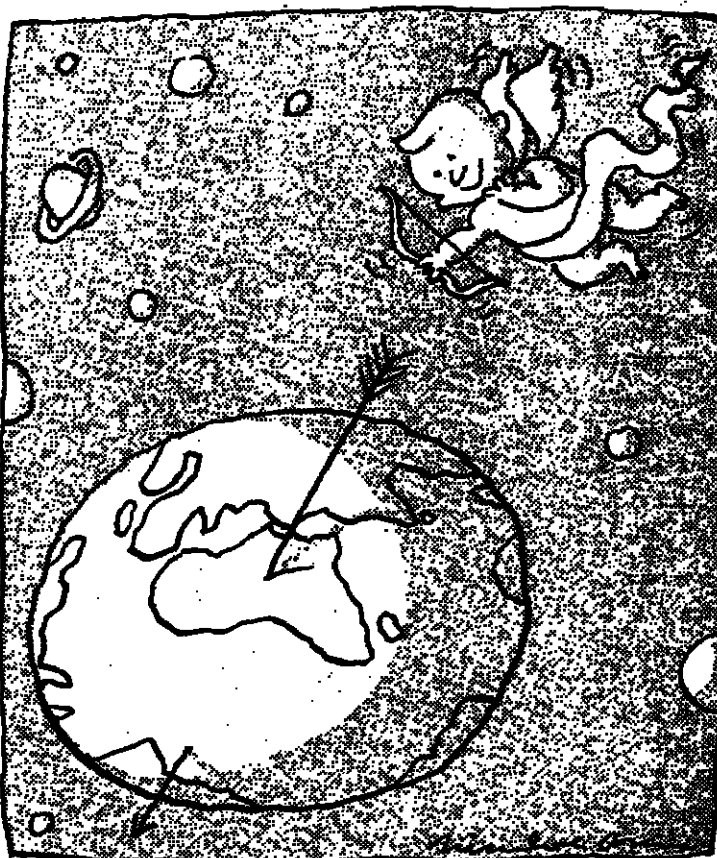


Illustration by [illegible]

Kanga said, adding that he was surprised that the publishers of Adoras, presumably fearing bad reviews, had not handed out free copies.

Indeed, the author of "Symphonie et Lumière"—the story of a blind pianist who shows a Don Juan the secrets of the human heart—pleaded that only her nom de plume, Joëlle Anselme, be used.

"I don't want my readers to confuse this novel with my other novels," she said, adding sadly that her publisher had far outsold her more serious works.

Biton Koulibaly, who wrote "Sugar Daddy" in 15 days and had it published under the pseudonym of B. Williams, showed no such reserve. One of the most popular

writers in the Ivory Coast, especially among women, Koulibaly explained with a straight face that his story about the cash-strapped student and the *tonon* was supposed to be educational.

"One of the goals of Adoras is to teach African men how to love," Koulibaly said. "Women here have evolved. They want love with one man; they want tenderness. Men are behind."

On a continent where polygamy is widespread, Koulibaly, 49, said learning about romantic love was critical to African men.

Any attempt to Africanize culture on a continent where colonial legacies are so fresh is, of course, fraught with contradictions.

The publishers of the romances, at the same time they advertised the fact that these novels were written by Africans for Africans, gave their authors exotic pseudonyms, like Carmen Lopez and Christopher Hill. A marketing study showed that a clearly African name would give the book less credibility, Bognifo said.

Indeed, Patricia Moben, 20, a student, said she hesitated before buying an Adoras. "Since when do Africans write love stories?" she said. She eventually read two and liked them, but purely as a diversion. "I tell myself that when two people are together, it's always out of some self-interest. People don't experience romantic love here. Maybe they do over there."

Alina Konate said she did, here.

Over a hamburger and Fanta, Konate, 30, a computer programmer, told of how she had related to two Adoras novels. In "Cache-Cache d'Amour" or "Hide-and-Seek Love," the heroine—a Muslim member of the Malinke ethnic group, like Konate—finds true love despite a forced marriage.

Then there was "Coeurs Piégés," the story of Kanza, a woman whose true love returns to her after a long, seductive stay in the United States. "I saw myself in Kanza," Konate said. "She nurtured a love that finally bears fruit."

Back in her village, she confided, when she was still a girl, Lanceline Konate spent summers at his grandparents' house, across from her family's home. But like the man in the novel, Lanceline left for several years, in his case to study in Montreal.

"The flesh is weak," Konate said, "and when he left, we weren't on good terms."

But like every Harlequin, African or not, things ended happily. She had already started using his last name in anticipation of the big day. She reached for her soft drink and the diamond sparkled against the Fanta.

PEOPLE



Tracy Chapman and Bruce Springsteen singing a duet at the Amnesty International concert in Paris.

HUMAN rights champions and victims of rights abuses were among those who gathered in Paris to celebrate in speech and song the 50th anniversary of the signing of the Universal Declaration of Human Rights. Secretary-General Kofi Annan of the United Nations told a gathering Thursday at the Palais de Chaillot, where the declaration was signed on Dec. 10, 1948, that the challenge for rights defenders in years to come was to do more to build on the legacy of the original declaration. A huge rock concert capped the celebrations and featured the singers Bruce Springsteen, Alanis Morissette and Tracy Chapman, among others.

Larry McMurtry has sold 44 boxes of his papers to the Texas university where he earned a master's degree and taught English. Rice University announced Thursday that it had paid an undisclosed "six figure" sum for the papers, mostly related to McMurtry's works since he won the Pulitzer Prize in 1986 for "Lonesome Dove." The uni-

versity bought manuscripts including "Texasville," "Dead Man's Walk" and "Terms of Endearment," as well as an unfinished novel titled "The Dairy Queen."

A family photo album and a collection of letters that the actress Audrey Hepburn wrote to her father were sold at Christie's auction house Thursday for more than \$115,000. An autograph dealer paid \$40,300 for 64 family photos, including snapshots of the actress as a child, in her school uniform; of her two sons, and of her with family and friends. Many of the pictures are inscribed on the back to her father, Anthony Hepburn-Ruston. The actress' stepmother, Fidelity Hepburn-Ruston, sold the collection, which included letters and postcards written by the star from 1964 to 1990. They went to an unidentified private collector for \$75,500. The Oscar-winning actress, famous for her roles in "Roman Holiday," "Breakfast at Tiffany's" and "My Fair Lady," died in January 1993 at age 63.

Princess Alexia, the eldest daughter of former King Constantine of Greece, has become engaged to Carlos Morales Quintana of Spain, the exiled royal family announced. The princess, 33, and Quintana, 28, will be married in July in the Greek St. Sophia Cathedral in London. The family said in a statement. Queen Anne-Marie, Alexia's mother, and wife of King Constantine, is the younger sister of Queen Margrethe of Denmark.

A photographer has been accused of charges that he sold two tabloid newspapers the illegally obtained details of a cellular phone call between Tom Cruise and his wife, Nicole Kidman. Eric Ford, 27, was arrested Thursday after a federal grand jury indicted him on charges of illegally intercepting a wire communication and disclosing its contents for financial gain. Ford was accused of using a modified radio scanner to listen to the Feb. 5 call, and of disclosing the contents on March 16 to News of the World newspaper in London.



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